

# S. JANARDHAN & ASSOCIATES

## CHARTERED ACCOUNTANTS

VIJAY BHATIA, B.com., F.C.A.,  
BALAKRISHNA S.BHAT, B.com., F.C.A.,  
B. ANAND, B.Sc., F.C.A.,



Apt. No.103 & 106  
Embassy Centre  
No.11, Crescent Road  
Bangalore - 560 001

Phone :22265438, 22260055  
22202709 Fax: 22265572  
E-mail : ca.sjassociates@gmail.com

### INDEPENDENT AUDITOR'S REPORT

To the Members of **Sobha Highrise Ventures Private Limited,**

### Report on the Audit of the Ind AS Financial Statements

#### Opinion

We have audited the accompanying Ind AS financial statements of Sobha Highrise Ventures Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Cash Flow Statement and the statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a 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 Ind AS financial statements give the information required by the Companies Act, 2013 (the "Act"), in the manner so required and give a true and fair view in conformity with accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

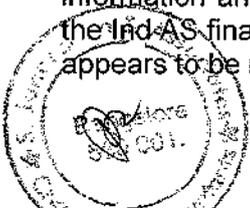
We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements'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

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

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

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

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



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

### **Management Responsibility for the 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 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 Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 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 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 Board of directors are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the 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 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 Ind AS 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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.

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

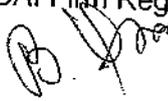
### Report on Other Legal and Regulatory Requirements

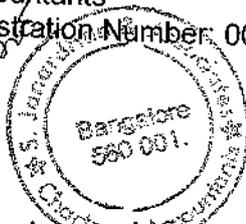
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act,
  - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial control over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, no remuneration has been paid by the Company to its directors during the year and hence the provisions of section 197 of the Act are not applicable.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its 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 S Janardhan and Associates  
Chartered Accountants  
ICAI Firm Registration Number: 005310S

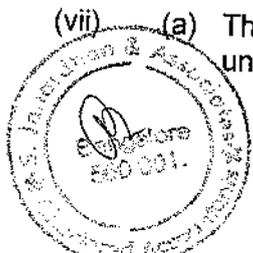
  
B Anand  
Partner  
Membership Number: 029146  
UDIN: 21029146AAAHL3950



Place: Bengaluru  
Date: 25<sup>th</sup> May 2021

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

- (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 our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, 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 us and on the basis of our examination of the records of the Company, the company has no immovable properties and hence the clauses relevant to this para is not applicable.
- (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 us, the Company has granted unsecured loans to one body corporate, covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which
- a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
- b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
- c) There is no overdue amount remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, the company has not advanced loans to directors/ to a company in which the director is interested to which provisions of Section 185 of the Companies Act 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 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 Act, any other relevant provisions of the Act and relevant rules framed thereunder. Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) Maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act, for the business activities carried out by the Company. Thus, reporting under Clause 3(vi) of the order is not applicable to the Company.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including income-tax, sales-tax, service tax, goods and

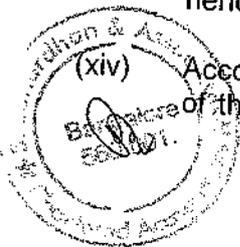


service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it. The provisions relating to provident fund and employees' state insurance are not applicable to the Company.

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

Name of the statute	Nature of dues	Amount (Rs. in Million)	Period to which amount relates	Forum where the dispute is pending
BBMP	Ground rent charges	3.02	2013-14	High Court of Karnataka
BBMP	Betterment charges	5.69	2012-13	High Court of Karnataka

- (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 financial statements and according to the information and explanations given by the management, we 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 our 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 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 us and on an overall examination of the 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 us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For S Janardhan and Associates  
Chartered Accountants  
ICAI Firm Registration Number: 005310S



B Anand  
Partner

Membership Number: 029146  
UDIN: 21029146AAAAHL3950

Place: Bengaluru  
Date: 25<sup>th</sup> May 2021

**Annexure B to the Independent Auditor's report of even date on the Ind AS financial statements of Sobha Highrise Ventures Private 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 Highrise Ventures Private Limited

We have audited the internal financial controls over financial reporting of Sobha Highrise Ventures Private Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our 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 we 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 Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these 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 financial statements, whether due to fraud or error.

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



## Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Ind AS Financial Statements

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these 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 financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

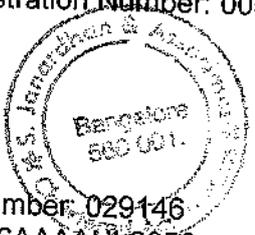
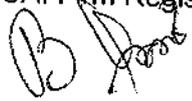
## Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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 our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2021, 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, S Janardhan and Associates  
Chartered Accountants  
ICAI Firm Registration Number: 005310S



B Anand  
Partner  
Membership Number: 029146  
UDIN: 21029146AAAAHL3950

Place: Bengaluru  
Date: 25<sup>th</sup> May 2021

Sobha Highrise Ventures Private Limited  
CIN :U36100KA2012PTC064148  
Balance sheet as at March 31, 2021

	Notes	As at 31-Mar-21 ₹ million	As at 31-Mar-20 ₹ million
<b>Assets</b>			
<b>Non- current assets</b>			
Property, plant and equipment	4a	12.32	8.31
Intangible assets	4b	6.95	9.27
<b>Financial assets</b>			
Investment	5	1.85	0.10
Loans	7	252.48	231.14
Other non-current financials assets	6	0.32	0.02
Current tax assets (net)		5.51	21.18
Deferred tax asset (net)		5.48	4.52
		<b>284.91</b>	<b>274.54</b>
<b>Current assets</b>			
Inventories	9	736.04	582.63
<b>Financial assets</b>			
Investment	5	0.10	0.09
Trade receivables	10	6.57	4.97
Cash and cash equivalents	11	5.58	11.64
Other current assets	8	34.96	29.28
		<b>783.25</b>	<b>628.61</b>
<b>Total assets</b>		<b>1,068.16</b>	<b>903.15</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	12	129.00	129.00
Other equity	13	525.67	530.82
<b>Total equity</b>		<b>654.67</b>	<b>659.82</b>



Sobha Highrise Ventures Private Limited  
 CIN : U36100KA2012PTC064148  
 Balance sheet as at March 31, 2021

	Notes	As at 31-Mar-21 ₹ million	As at 31-Mar-20 ₹ million
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	14	255.71	66.80
Trade payables			
-Total outstanding dues of micro enterprises and small enterprises; and			
-Total outstanding dues of creditors other than micro enterprises and small enterprises	15	21.49	31.34
Other current financial liabilities	16	89.97	108.49
Other current liabilities	17	41.21	25.27
Provisions	18	5.11	11.43
		<b>413.49</b>	<b>243.33</b>
<b>Total liabilities</b>		<b>413.49</b>	<b>243.33</b>
<b>Total equity and liabilities</b>		<b>1,068.16</b>	<b>903.15</b>

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 S.Janardhan & Associates  
 ICAI Firm registration number: 005310S  
 Chartered Accountants

B. Anand  
 Partner  
 Membership No. 29146



For and on behalf of the Board of Directors of  
 Sobha Highrise Ventures Private Limited

Ravi N Doddabale  
 Director  
 DIN: 07116130

Ravi PNC Menon  
 Director  
 DIN: 02070036

Barsha Agarwal  
 Company Secretary  
 A48155

Place: Bengaluru, India  
 Date: 25th May, 2021

Place: Bengaluru, India  
 Date: 25th May, 2021

LIDIN: 21029146AAAHL3950

**Sobha Highrise Ventures Private Limited**  
**CIN :U36100KA2012PTC064148**  
**Statement of profit and loss for the year ended March 31, 2021**

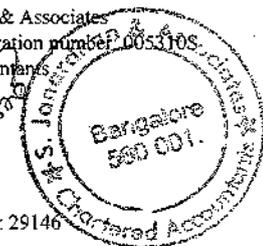
	Notes	31-Mar-21 ₹ million	31-Mar-20 ₹ million
Revenue from operations	19	19.64	83.82
Other income	20	0.03	0.46
Finance income	21	24.22	21.45
<b>Total income</b>		<b>43.89</b>	<b>105.73</b>
<b>Expenses</b>			
Land and related expenses		123.75	-
Subcontractor and other charges		-	5.40
Purchase of trading goods		25.44	34.80
(Increase)/ decrease in inventories of stock in trade - flats and work-in-progress	22	(153.41)	32.59
Other expenses	23	36.13	42.55
Finance cost	24	14.59	1.40
Depreciation	4a/4b	3.50	1.83
<b>Total expenses</b>		<b>50.00</b>	<b>118.57</b>
<b>Profit before tax</b>		<b>(6.11)</b>	<b>(12.84)</b>
Tax expenses			
Current tax		-	-
Deferred tax charge/ (credit)		(0.96)	(0.71)
<b>Income tax expense</b>		<b>(0.96)</b>	<b>(0.71)</b>
<b>Profit for the year</b>		<b>(5.15)</b>	<b>(12.13)</b>
<b>Other comprehensive income ('OCI')</b>		<b>-</b>	<b>-</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>(5.15)</b>	<b>(12.13)</b>
<b>Earnings per equity share [nominal value of ₹ 10 (Previous year - ₹ 10)]</b>			
	27		
<b>Basic</b>			
Class A equity shares		-	-
Class B equity shares		-	-
Class C equity shares		(0.25)	(0.59)
Class D equity shares		(1.03)	(2.43)
<b>Diluted</b>			
Class A equity shares		-	-
Class B equity shares		-	-
Class C equity shares		(0.25)	(0.59)
Class D equity shares		(0.25)	(0.59)

**Summary of significant accounting policies**

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

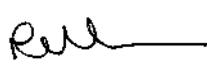
For S.Janardhan & Associates  
ICAI Firm registration number 0053105  
Chartered Accountants

  
B. Anand  
Partner  
Membership No.: 29146



For and on behalf of the Board of Directors of  
Sobha Highrise Ventures Private Limited

  
Ravi N Doddabale  
Director  
DIN: 07116130

  
Ravi PNC Menon  
Director  
DIN: 02070036

Barsha Agarwal  
Company Secretary  
A48155

Place: Bengaluru, India  
Date: 25th May, 2021

Place: Bengaluru, India  
Date: 25th May, 2021

L10IN: 21029146 AAAA HL3950.

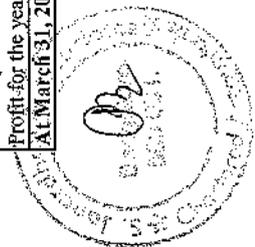
Sobha Highrise Ventures Private Limited  
 CIN :U36100KA2012PTC064148  
 Statement of changes in equity for the year ended March 31, 2021

a. Equity share capital

	No of Shares	Amount in ₹ million
Class A Equity shares of ₹ 10 each issued, subscribed and fully paid		
At March 31, 2020	1,99,999	2.00
At March 31, 2021	1,99,999	2.00
Class B Equity shares of ₹ 10 each issued, subscribed and fully paid		
At March 31, 2020	1	0.00
At March 31, 2021	1	0.00
Class C Equity shares of ₹ 10 each issued, subscribed and fully paid		
At March 31, 2020	1,02,00,000	102.00
At March 31, 2021	1,02,00,000	102.00
Class D Equity shares of ₹ 10 each issued, subscribed and fully paid		
At March 31, 2020	25,00,000	25.00
At March 31, 2021	25,00,000	25.00
<b>b. Other equity</b>	<b>1,29,00,000</b>	<b>129.00</b>

For the year ended March 31, 2021

	Attributable to the equity holders of the Company		Total
	Equity portion of Compulsorily Convertible Preference shares (Note 10)	Reserves and Surplus Retained earnings (Note 11)	
As at April 1, 2020	77.00	453.82	530.82
Profit for the year	-	(5.15)	(5.15)
<b>At March 31, 2021</b>	<b>77.00</b>	<b>448.67</b>	<b>525.67</b>



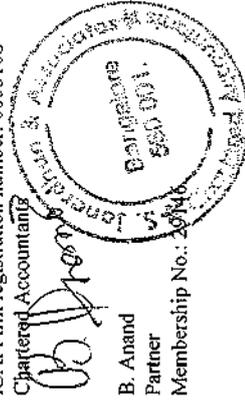
Sobha Highrise Ventures Private Limited  
 CIN : U36100KA2012PTC064148  
 Statement of changes in equity for the year ended March 31, 2021

For the year ended March 31, 2020

	Atributable to the equity holders of the Company			Total
	Equity portion of Compulsorily Convertible Preference shares (Note 10)	Reserves and Surplus Retained earnings (Note 11)		
As at April 1, 2019	77.00	465.95		542.95
Profit for the year	-	(12.13)		(12.13)
Restatement of Profit - As per As 115	-			0.00
<b>At March 31, 2020</b>	<b>77.00</b>	<b>453.82</b>		<b>530.82</b>

Summary of significant accounting policies

For S. Janardhan & Associates  
 ICAI Firm registration number: 0053105  
 Chartered Accountants



B. Anand  
 Partner  
 Membership No.: 20146

*Signature*

Ravi N Doddabale  
 Director  
 DIN: 07116130

*Signature*

Ravi PNC Menon  
 Director  
 DIN: 02070036

For and on behalf of the Board of Directors of  
 Sobha Highrise Ventures Private Limited

Barsha Agarwal  
 Company Secretary  
 A48155

Place: Bengaluru, India  
 Date: 25th May, 2021

Place: Bengaluru, India  
 Date: 25th May, 2021

W02 N: 21029146 AAAAHL 3950.

Sobha Highrise Ventures Private Limited  
CIN :U36100KA2012PTC064148  
Statement of Cash Flows for the year ended March 31, 2021

Notes	31-Mar-21 ₹ million	31-Mar-20 ₹ million
<b>Operating activities</b>		
Profit before tax	(6.11)	(12.84)
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Gain/ (loss) on disposal of investments	-	(0.19)
Finance income	(23.07)	(21.26)
Finance costs	14.50	1.25
<i>Working capital adjustments:</i>		
(Increase)/ decrease in trade receivables	(1.60)	1.85
(Increase)/ decrease in inventories	(153.41)	32.59
(Increase)/ decrease in other financial assets	(0.30)	-
(Increase)/ decrease in other assets	(5.68)	(19.50)
Increase/ (decrease) in trade payables and other financial liabilities	(28.37)	20.22
Increase/ (decrease) in provisions	(6.32)	(27.98)
Increase/ (decrease) in other non-financial liabilities	15.94	(20.88)
	(194.42)	(46.74)
Income tax paid (net of refund)	15.66	(5.49)
<b>Net cash flows from/ (used in) operating activities (A)</b>	<b>(178.76)</b>	<b>(52.23)</b>
<b>Investing activities</b>		
Purchase of current investments	(0.03)	(58.29)
Proceeds from sale of current investments	0.03	58.20
Purchase of Non Current Investment	(1.75)	-
Purchase of tangible and intangible asset	(1.69)	(15.52)
Loans given	(21.34)	(19.13)
Interest on loans given	23.07	21.26
Dividend income received	-	0.19
<b>Net cash flows from/ (used in) investing activities (B)</b>	<b>(1.71)</b>	<b>(13.29)</b>
<b>Financing activities</b>		
Proceeds from short-term borrowings	188.91	66.80
Interest paid	(14.50)	(1.25)
<b>Net cash flows from/ (used in) financing activities (C)</b>	<b>174.41</b>	<b>65.55</b>
Net increase/ (decrease) in cash and cash equivalents	(6.06)	0.03
Cash and cash equivalents at the beginning of the year	11	11.61
<b>Cash and cash equivalents at the end of the year</b>	<b>11</b>	<b>11.64</b>
Summary of significant accounting policies	2	

As per our report of even date

For S.Janardhan & Associates  
ICAI Firm registration number: 005310S  
Chartered Accountants

B. Anand  
Partner  
Membership No.: 29146



For and on behalf of the Board of Directors of  
Sobha Highrise Ventures Private Limited

Ravi N Doddabale  
Director  
DIN: 07116130

Ravi PNC Menon  
Director  
DIN: 02070036

Barsha Agarwal  
Company Secretary  
A48155

Place: Bengaluru, India  
Date: 25th May, 2021

Place: Bengaluru, India  
Date: 25th May, 2021

UDIN: 21029146 AAAA HL3950.

## Sobha Highrise Ventures Private Limited

Notes to the financial statements for the year ended March 31, 2021

### 1 Corporate Information

Sobha Highrise Ventures Private Limited ('Company' or 'SHVPL') was incorporated on May 28, 2012 as a Private Limited Company under the provision of the Companies Act, 1956. The registered office is located at Bangalore.

The Company had executed an investment agreement with Sobha Limited, Winona SA Investment LLC and SA Winona Ventures Limited pursuant to which, investment has been made in the Company for execution of a residential project in Bangalore, which got completed during the year ended March 31, 2017. Further, during the year ended March 31, 2017, the Company became wholly owned subsidiary of Sobha Limited. The Company is evaluating other real estate business opportunities and accordingly the management has prepared these accounts on a going concern basis.

The financial statements are approved for issue by the Company's Board of Directors on 25th May, 2021.

### 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 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 possession of the residential or commercial unit to the customer and collection of complete transaction price by the Company from customer.

###### ii. Recognition of revenue from trading division

Revenue from sale of traded goods is recognized at the point in time when the control of the asset is transferred to the customer, generally on delivery of goods. The normal credit term is 30-90 days upon delivery.

###### 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.



## Sobha Highrise Ventures Private Limited

Notes to the financial statements for the year ended March 31, 2021

### iv. 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) 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.



## Sobha Highrise Ventures Private Limited

Notes to the financial statements for the year ended March 31, 2021

### 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.



## Sobha Highrise Ventures Private Limited

Notes to the financial statements for the year ended March 31, 2021

### 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.



## Sobha Highrise Ventures Private Limited

Notes to the financial statements for the year ended March 31, 2021

### *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 from 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.



## Sobha Highrise Ventures Private Limited

Notes to the financial statements for the year ended March 31, 2021

### Related to Trading activity

Traded goods are valued at lower of cost and net realisable value. Cost includes direct costs and taxes.

Net realisable value is the estimated selling price in the ordinary course of business less estimated cost necessary to make the sale.

### 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.

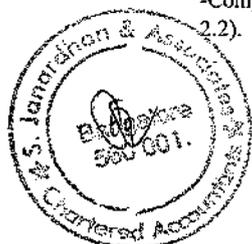
### a) Estimates and assumptions

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 note 2.2).

-Computation of percentage completion for projects in progress, project cost, revenue and saleable area estimates (Refer note 2.2).



**Sobha Highrise Ventures Private Limited**

Notes to the financial statements for the year ended March 31, 2021

**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.

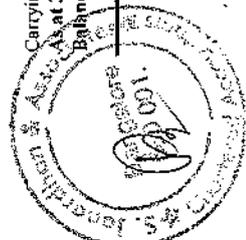
NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.



Sobha Highrise Ventures Private Limited  
Notes to the financial statements for the year ended March 31, 2021

4a	Property, Plant and equipment	₹ million					Total
		Plant and Machinery	Office Equipments	Computers	Electrical Installations	Furniture and Fixtures	
	<b>Cost</b>						
	Balance as at 1st April 2019	-	-	-	-	-	8.95
	additions during the year	0.93	1.28	0.06	0.12	6.56	8.95
	<b>Balance as at 31st March 2020</b>	0.93	1.28	0.06	0.12	6.56	8.95
	additions during the year	0.03	3.54	1.59	-	-	5.16
	<b>Balance as at 31st March 2021</b>	0.96	4.82	1.65	0.12	6.56	14.11
	<b>Accumulated Depreciation</b>						
	Balance as at 1st April 2019	-	-	-	-	-	0.64
	charge for the year	0.06	0.09	0.01	0.01	0.47	0.64
	<b>Balance as at 31st March 2020</b>	0.06	0.09	0.01	0.01	0.47	1.15
	charge for the year	0.06	0.38	0.08	0.01	0.62	1.15
	<b>Balance as at 31st March 2021</b>	0.12	0.47	0.09	0.02	1.09	1.79
	<b>Carrying amount</b>						
	As at 31st March 2020	0.87	1.19	0.05	0.11	6.09	8.31
	<b>Balance as at 31st March 2021</b>	0.84	4.35	1.56	0.10	5.47	12.32

4b	Intangible assets	₹ million		Total
		Intangible assets under development		
	<b>Cost</b>			
	Balance as at 1st April 2019		2.05	2.05
	additions during the year		8.43	8.43
	<b>Balance as at 31st March 2020</b>		10.48	10.48
	additions during the year		0.03	0.03
	<b>Balance as at 31st March 2021</b>		10.51	10.51
	<b>Amortization and impairment</b>			
	Balance as at 1st April 2019			-
	charge for the year		1.21	1.21
	<b>Balance as at 31st March 2020</b>		1.21	1.21
	charge for the year		2.35	2.35
	<b>Balance as at 31st March 2021</b>		3.56	3.56
	<b>Carrying amount</b>			
	As at 31st March 2020		9.27	9.27
	<b>Balance as at 31st March 2021</b>		6.95	6.95



Sobha Highrise Ventures Private Limited  
Notes to the financial statements for the year ended March 31, 2021

5 Investments

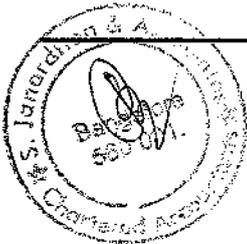
	₹ million			
	31-Mar-21	Current 31-Mar-20	31-Mar-21	Non-current 31-Mar-20
<b>Carried at cost</b>				
<b>Unquoted equity shares</b>				
<i>Investment in subsidiaries</i>				
10,000 (Previous year: 10,000) equity shares of ₹10 each fully paid-up in Sobha Contracting Private Limited	-	-	0.10	0.10
10,000 (Previous year: Nil) equity shares of ₹10 each fully paid-up in Annalakshmi Land Developers Private Limited	-	-	1.75	-
<b>Carried at fair value through profit and loss</b>				
<b>Unquoted</b>				
<i>Investment in Mutual funds</i>				
96.686 units (Previous year: Nil) of Axis Liquid Fund - Daily Dividend of Rs.1000.9560 each	0.10	0.09	-	-
	<b>0.10</b>	<b>0.09</b>	<b>1.85</b>	<b>0.10</b>

6 Other financial assets

	₹ million			
	31-Mar-21	Current 31-Mar-20	31-Mar-21	Non-current 31-Mar-20
<b>Security deposit</b>				
<i>Unsecured, considered good</i>				
Security deposit - Others	-	-	0.32	0.02
	-	-	0.32	0.02
	-	-	<b>0.32</b>	<b>0.02</b>

7 Loans

	₹ million			
	31-Mar-21	Current 31-Mar-20	31-Mar-21	Non-current 31-Mar-20
<b>Loans unsecured considered good</b>				
Loans to related party (refer note 26)	-	-	252.48	231.14
	-	-	<b>252.48</b>	<b>231.14</b>



Sobha Highrise Ventures Private Limited  
Notes to the financial statements for the year ended March 31, 2021

8 Other assets

	₹ million			
	31-Mar-21	Current 31-Mar-20	31-Mar-21	Non-current 31-Mar-20
<b>Advances recoverable in cash or kind (refer note 26)</b>				
Unsecured considered good	10.41	11.07	-	-
<b>Others</b>				
Balances with statutory/ government authorities	24.55	18.21	-	-
	<b>34.96</b>	<b>29.28</b>	<b>-</b>	<b>-</b>

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

	₹ million	
	31-Mar-21	31-Mar-20
Land Stock	674.01	540.95
Finished goods	62.03	41.68
	<b>736.04</b>	<b>582.63</b>
	<b>736.04</b>	<b>582.63</b>

10 Trade receivables

	₹ million			
	31-Mar-21	Current 31-Mar-20	31-Mar-21	Non-current 31-Mar-20
Trade receivables	3.81	2.53	-	-
Trade receivables from related party (refer note 26)	2.76	2.44	-	-
<b>Total Trade receivables</b>	<b>6.57</b>	<b>4.97</b>	<b>-</b>	<b>-</b>
<b>Break up of security details:</b>				
Unsecured, considered good	6.57	4.97	-	-
Doubtful	-	-	-	-
	<b>6.57</b>	<b>4.97</b>	<b>-</b>	<b>-</b>
<b>Total Trade receivables</b>	<b>6.57</b>	<b>4.97</b>	<b>-</b>	<b>-</b>



Sobha Highrise Ventures Private Limited  
Notes to the financial statements for the year ended March 31, 2021

11 Cash and cash equivalent

	₹ million	
	31-Mar-21	31-Mar-20
<i>Balances with banks:</i>		
– On current accounts	5.42	11.46
Cash on hand	0.16	0.18
	<u>5.58</u>	<u>11.64</u>

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

	₹ million	
	31-Mar-21	31-Mar-20
<i>Balances with banks:</i>		
– On current accounts	5.42	11.46
Cash on hand	0.16	0.18
	<u>5.58</u>	<u>11.64</u>



12 Share Capital

	₹ million	
	31-Mar-21	31-Mar-20
<b>Authorised Share Capital</b>		
199,999 (Previous year: 199,999) Class A equity shares of ₹10 each	2.00	2.00
1 (Previous year: 1) Class B equity shares of ₹10 each	0.00	0.00
10,200,000 (Previous year: 10,200,000) Class C equity shares of ₹10 each	102.00	102.00
2,500,000 (Previous year: 2,500,000) Class D equity shares of ₹10 each	25.00	25.00
7,700,000 (Previous year: 7,700,000) Compulsorily Convertible Preference shares of ₹10 each	77.00	77.00
	<b>206.00</b>	<b>206.00</b>
<b>Equity Share Capital</b>		
<b>Issued, subscribed and fully paid-up shares</b>		
199,999 (Previous year: 199,999) Class A equity shares of ₹10 each	2.00	2.00
1 (Previous year: 1) Class B equity shares of ₹10 each	0.00	0.00
10,200,000 (Previous year: 10,200,000) Class C equity shares of ₹10 each	102.00	102.00
2,500,000 (Previous year: 2,500,000) Class D equity shares of ₹10 each	25.00	25.00
Total issued, subscribed and fully paid-up share capital	<b>129.00</b>	<b>129.00</b>
<b>Equity component of Compulsorily Convertible Preference shares</b>		
<b>Issued, subscribed and fully paid-up shares</b>		
7,700,000 (Previous year: 7,700,000) Compulsorily Convertible Preference shares of ₹10 each	77.00	77.00
Total issued, subscribed and fully paid-up share capital	<b>77.00</b>	<b>77.00</b>

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

	31-Mar-21		31-Mar-20	
	No of Shares	₹ million	No of Shares	₹ million
<b>Equity shares</b>				
<i>Class A equity shares</i>				
At the beginning of the year	1,99,999	2.00	1,99,999	2.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>1,99,999</b>	<b>2.00</b>	<b>1,99,999</b>	<b>2.00</b>
<i>Class B equity shares</i>				
At the beginning of the year	1	0.00	1	0.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>1</b>	<b>0.00</b>	<b>1</b>	<b>0.00</b>
<i>Class C equity shares</i>				
At the beginning of the year	1,02,00,000	102.00	1,02,00,000	102.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>1,02,00,000</b>	<b>102.00</b>	<b>1,02,00,000</b>	<b>102.00</b>
<i>Class D equity shares</i>				
At the beginning of the year	25,00,000	25.00	25,00,000	25.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>25,00,000</b>	<b>25.00</b>	<b>25,00,000</b>	<b>25.00</b>
<b>Preference shares</b>				
<i>Compulsorily Convertible Preference shares</i>				
At the beginning of the year	77,00,000	77.00	77,00,000	77.00
Issued during the year	-	-	-	-
Outstanding at the end of the year	<b>77,00,000</b>	<b>77.00</b>	<b>77,00,000</b>	<b>77.00</b>



**Sobha Highrise Ventures Private Limited**

**Notes to the financial statements for the year ended March 31, 2021**

**(b) Terms/ rights attached to equity shares**

The Company has 4 classes of equity shares having a par value of ₹10 each per share comprising of Class A equity shares, Class B equity shares, Class C equity shares and Class D equity shares. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in ensuing Annual General Meeting.

*Class A equity shares*

Each holder of equity shares is entitled to one vote per share. Class A equity shares be eligible for dividend rights on a pari passu basis based on number of shares held by Class A shareholders in the manner specified. Class C and Class D equity shares shall rank ahead of Class A shares with respect to dividend and other distributions. In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

*Class B equity shares*

Each holder of equity shares does not have any voting rights. Class B equity shares be eligible for dividend rights on a pari passu basis based on number of shares held by Class B shareholders in the manner specified. Class C and Class D equity shares shall rank ahead of Class B shares with respect to dividend and other distributions. In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts.

*Class C equity shares*

Each holder of equity shares does not have any voting rights. Class C equity shares be eligible for dividend rights on a pari passu basis based on number of shares held by Class C shareholders in the manner specified. In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts including payment of Series A Debenture and Series B Debenture holder.

*Class D equity shares*

Each holder of equity shares does not have any voting rights. Class D equity shares be eligible for dividend rights on a pari passu basis based on number of shares held by Class D shareholders in the manner specified. In the event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts including payment of Series A Debenture and Series B Debenture holder.

**(c) Terms/ rights attached to preference shares**

The preference share of the Company comprise of Compulsorily Convertible Preference shares of ₹10 each. Each Compulsorily Convertible Preference share shall carry non-cumulative dividend coupon of 0.001%. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of director is subject to the approval of the shareholder in ensuing Annual General meeting.

Compulsorily Convertible Preference share shall be converted to Class D equity shares on expiry of 19 years from the effective date i.e., August 15, 2012 or on liquidation or winding up of the Company. Each Compulsorily Convertible Preference share would be converted to 1 (one) Class D equity share having a par value of ₹ 10 each.



**Sobha Highrise Ventures Private Limited**

Notes to the financial statements for the year ended March 31, 2021

**(d) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates**

Out of equity and preference shares issued by the Company, shares held by its Holding Company, ultimate Holding Company and their subsidiaries/ associates are as below:

Name of shareholder	₹ million	
	31-Mar-21	31-Mar-20
<b>Sobha Limited, the Holding Company</b>		
199,999 (Previous year: 199,999) Class A equity shares of ₹10 each	2.00	2.00
1 (Previous year: 1) Class B equity shares of ₹10 each	0.00	0.00
10,200,000 (Previous year: 10,200,000) Class C equity shares of ₹10 each	102.00	102.00
2,500,000 (Previous year: 2,500,000) Class D equity shares of ₹10 each	25.00	25.00
7,700,000 (Previous year: 7,700,000) Compulsorily Convertible Preference Shares of ₹10 each	77.00	77.00
	<b>206.00</b>	<b>206.00</b>

**(e) Details of shareholders holding more than 5% shares in the Company**

	31-Mar-21		31-Mar-20	
	No of Shares	Holding percentage	No of Shares	Holding percentage
<i>Class A equity shares</i>				
Sobha Limited	1,99,999	100%	1,99,999	100%
<i>Class B equity shares</i>				
Sobha Limited	1	100%	1	100%
<i>Class C equity shares</i>				
Sobha Limited	1,02,00,000	100%	1,02,00,000	100%
<i>Class D equity shares</i>				
Sobha Limited	25,00,000	100%	25,00,000	100%
<i>Compulsorily Convertible Preference Shares</i>				
Sobha Limited	77,00,000	100%	77,00,000	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.

**(f) Shares reserved for issue under options**

For details of shares reserved for issue on conversion of Compulsorily Convertible Preference shares, please refer note 12(c) regarding terms of conversion of preference shares.

For details of shares reserved for issue on conversion of Compulsorily Convertible Debentures, please refer note 12 regarding terms of conversion of debentures.



Sobha Highrise Ventures Private Limited  
Notes to the financial statements for the year ended March 31, 2021

13 Other equity

	₹ million	
	31-Mar-21	31-Mar-20
<b>Equity portion of Compulsorily convertible preference share</b>		
Balance at the beginning of the year	77.00	77.00
<b>Closing balance</b>	<b>77.00</b>	<b>77.00</b>
<b>Retained earnings</b>		
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	453.82	465.95
Profit for the year	(5.15)	(12.13)
Restatement of Profit - As per As 115	-	-
<i>Other comprehensive income</i>	-	-
<b>Net surplus in the statement of profit and loss</b>	<b>448.67</b>	<b>453.82</b>
<b>Total other equity</b>	<b>525.67</b>	<b>530.82</b>

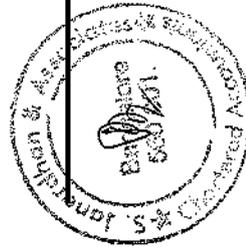


Sobha Highrise Ventures Private Limited  
Notes to the financial statements for the year ended March 31, 2021

14 Borrowings

	31-Mar-21	31-Mar-20
		₹ million
<b>Current Borrowings</b>		
<b>Unsecured loans</b>		
Term loan from holding company	143.22	66.80
Term loan from related party	112.49	-
<b>Total current Borrowings</b>	<b>255.71</b>	<b>66.80</b>

Particulars	Amount outstanding (₹ million)		Effective Interest rate	Repayment terms
	31-Mar-21	31-Mar-20		
Term loans from holding company	143.22	66.80	10.00%	Repayable on demand
Term loan from related party	112.49	-	10.00%	Repayable on demand



Sobha Highrise Ventures Private Limited  
Notes to the financial statements for the year ended March 31, 2021

15 Trade payables

	₹ million	
	31-Mar-21	31-Mar-20
<b>Trade payables</b>		
- Total outstanding dues of micro enterprises and small enterprises (refer note 29)	-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises	15.09	15.31
Total outstanding dues of creditors OTHER than micro enterprises and small enterprises- related party(refer note 26)	6.40	16.03
	<u>21.49</u>	<u>31.34</u>

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 60-day terms
- For explanations on the Company's credit risk management processes, refer to note 31

16 Other financial liabilities

	₹ million	
	31-Mar-21	31-Mar-20
<b>Current</b>		
Interest accrued but not due on borrowings	11.58	1.09
Others		
Security deposit towards maintenance services	78.39	107.40
<b>Total current other financial liabilities</b>	<u>89.97</u>	<u>108.49</u>
<b>Total other financial liabilities</b>	<u>89.97</u>	<u>108.49</u>

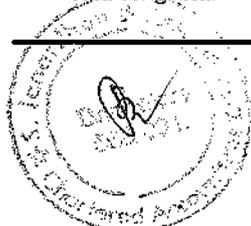
17 Other liabilities

	₹ million	
	31-Mar-21	31-Mar-20
Advance from customers	40.15	24.72
Withholding taxes payable	1.03	0.52
Other Liabilities	0.03	0.03
	<u>41.21</u>	<u>25.27</u>

18 Provisions

	₹ million	
	31-Mar-21	31-Mar-20
<b>Other provisions</b>		
Estimated project costs to be incurred for the completed project	5.11	11.43
	<u>5.11</u>	<u>11.43</u>

The Company had provided for expected cost for completed project, based on technical evaluation and management's best estimate of meeting such obligation.



Sobha Highrise Ventures Private Limited  
Notes to the financial statements for the year ended March 31, 2021

19 Revenue from operations

	₹ million	
	31-Mar-21	31-Mar-20
<b>Revenue from operations</b>		
Sale of products/ finished goods		
Income from property development	0.86	77.81
Income from retail sales	9.59	6.01
Income from maintenance services	9.19	-
<b>Total</b>	<b>19.64</b>	<b>83.82</b>

20 Other income

	₹ million	
	31-Mar-21	31-Mar-20
Other non-operating income	0.03	0.19
Exchange fluctuation income	0.00	0.27
	<b>0.03</b>	<b>0.46</b>

21 Finance income

	₹ million	
	31-Mar-21	31-Mar-20
Interest income on		
Income tax refund	1.15	-
Others	23.07	21.26
Dividend income on		
Current investments	0.00	0.19
	<b>24.22</b>	<b>21.45</b>

22 (Increase)/ decrease in inventories

	₹ million	
	31-Mar-21	31-Mar-20
Inventories at the end of the year		
Land Stock	674.01	540.95
Finished goods	62.03	41.68
	<b>736.04</b>	<b>582.63</b>
Inventories at the beginning of the year		
Land Stock	540.95	540.94
Stock in trade - flats	0.00	64.22
Finished goods	41.68	10.06
	<b>582.63</b>	<b>615.22</b>
<b>(Increase)/ decrease</b>	<b>(153.41)</b>	<b>32.59</b>



Sobha Highrise Ventures Private Limited  
Notes to the financial statements for the year ended March 31, 2021

23 Other expenses

	₹ million	
	31-Mar-21	31-Mar-20
Rates and taxes	4.58	1.27
Insurance	0.10	0.12
Advertising and sales promotion	0.17	0.30
Discount to customers	0.20	0.00
Donation	3.50	9.20
Legal and professional fees	14.53	10.58
Payment to auditor (Refer details below)	0.30	0.37
Project Maintenance expenses	4.91	15.91
Miscellaneous expenses	1.87	1.77
Plan approvals and Noc charges	0.00	0.52
Printing and stationery	0.31	0.13
Registration and renewal	2.66	0.94
Freight and packing charges	0.42	0.40
Repairs and maintenance charges	2.00	1.04
Electricity charges	0.53	0.00
Exchange fluctuation	0.05	0.00
	<u>36.13</u>	<u>42.55</u>

Payment to auditor

	₹ million	
	31-Mar-21	31-Mar-20
As auditor:		
Audit fee	0.10	0.05
Limited review fee	0.15	0.30
Other services	0.05	-
Reimbursement of expenses	-	0.02
	<u>0.30</u>	<u>0.37</u>

24 Finance costs

	₹ million	
	31-Mar-21	31-Mar-20
Interest		
- Others	14.50	1.25
Bank charges	0.09	0.15
<b>Total finance costs</b>	<u>14.59</u>	<u>1.40</u>

25 Foreign exchange outflow and Inflow

	₹ million	
	31-Mar-21	31-Mar-20
Purchase of goods and advance	6.04	16.22
Refund of advance paid for purchase of goods	0.08	0.09
<b>Total</b>	<u>6.12</u>	<u>16.31</u>



26 Related party transactions

26.1 List of related parties

Party where control exists:

Sobha Limited - Holding Company

Subsidiaries:

Sobha Contracting Private Limited  
Annalakshmi Land Developers Private Limited

Key management personnel ('KMP')

Mr. J.C. Sharma  
Mr. Ravi PNC Menon  
Mr. Ravi Nagaraj Doddabale

Other Related parties with whom transactions have taken place during the year:

Sri Kurumba Trust  
Sobha Developers Pune Limited  
Technobuild Developers Private Limited

26.2 Transactions with related parties

₹ million

Nature of transaction	Description of relationship	Name of the Related party	31-Mar-21	31-Mar-20
Purchase of goods and services	Holding Company	Sobha Limited	14.35	18.00
Sale of goods			1.09	1.87
Advances paid			-	0.33
Lease Rent Deposit			0.30	-
Sale of goods	KMP	Mr Ravi P NC Menon	0.01	-
	KMP	MR Jagadish Chandra Sharma	0.29	-
Donation	Other Related Party	Sri Kurumba Trust	3.50	9.20
Purchase of Equity shares	Other Related Party	Technobuild Developers Private Limited	1.75	-
Unsecured loan given	Subsidiary	Sobha Contracting Private Limited	21.34	-
Unsecured loan received	Holding Company	Sobha Limited	103.74	66.80
Unsecured loan repaid	Holding Company		27.32	-
Unsecured loan received	Other Related Party	Sobha Developers Pune Limited	112.49	-
Interest expense on unsecured loan	Holding Company	Sobha Limited	8.39	1.21
	Other Related Party	Sobha Developers Pune Limited	4.13	-
Interest income on unsecured loan	Subsidiary	Sobha Contracting Private Limited	23.07	21.26

₹ million

Nature of transaction	Description of the relationship	Name of the related party	31-Mar-21	31-Mar-20
<b>Balance Receivable :</b>				
Trade receivable	Holding Company	Sobha Limited	1.81	2.44
Unsecured loan	Subsidiary	Sobha Contracting Private Limited	252.48	231.14
<b>Balance Payable :</b>				
Trade payable	Holding Company	Sobha Limited	5.98	15.70
Unsecured loan			150.98	67.89
Unsecured loan	Other Related Party	Sobha Developers Pune Limited	116.31	-



**Sobha Highrise Ventures Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

**27 Earnings per share ['EPS']**

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 and diluted EPS computations:

Particulars	31-Mar-21	31-Mar-20
Profit after tax attributable to shareholders (Amount in ₹ million)	(5.15)	(12.13)
Weighted average number of equity shares of ₹10 each outstanding during the period used in calculating basic EPS		
Basic		
Class A equity shares	1,99,999	1,99,999
Class B equity shares	1	1
Class C equity shares	1,02,00,000	1,02,00,000
Class D equity shares	25,00,000	25,00,000
Profit / (loss) after taxation considered for the calculation earnings per share (₹)		
Basic		
Class A equity shares	-	-
Class B equity shares	-	-
Class C equity shares	(2.58)	(6.07)
Class D equity shares	(2.58)	(6.07)
Earnings Per Share (₹)		
Basic		
Class A equity shares	-	-
Class B equity shares	-	-
Class C equity shares	(0.25)	(0.59)
Class D equity shares	(1.03)	(2.43)
Weighted average number of equity shares of ₹10 each outstanding during the period used in calculating Diluted EPS		
Diluted		
Class A equity shares	1,99,999	1,99,999
Class B equity shares	1	1
Class C equity shares	1,02,00,000	1,02,00,000
Class D equity shares	1,02,00,000	1,02,00,000
Profit / (loss) after taxation considered for the calculation earnings per share (₹)		
Diluted		
Class A equity shares	-	-
Class B equity shares	-	-
Class C equity shares	(2.58)	(6.07)
Class D equity shares	(2.58)	(6.07)
Earnings Per Share (₹)		
Diluted		
Class A equity shares	-	-
Class B equity shares	-	-
Class C equity shares	(0.25)	(0.59)
Class D equity shares	(0.25)	(0.59)



28 Commitments and contingencies

Contingent liabilities (to the extent not provided for)

Particulars	₹ million	
	31-Mar-21	31-Mar-20
Claims against the Company not acknowledged as debts *	15.09	8.28
	<b>15.09</b>	<b>8.28</b>

\* The claims against the Company comprise:

₹ 9.40 million (Previous year: ₹ 2.59 million) in respect of ground rent charges levied on the Company by Bruhat Bengaluru Mahanagara Palike (BBMP). The Company has contested against the charges with Honourable High court of Karnataka and obtained a stay order for the same. Based on internal assessment, the management is confident that the matter would be decided in its favour, accordingly no provisions has made in this regard.

₹ 5.69 million (Previous year: ₹ 5.69 million) levied on the Company by BBMP towards betterment charges. The Company has contested against the charges with Honourable High court of Karnataka and obtained a stay order for the same. Based on internal assessment, the management is confident that the matter would be decided in its favour, accordingly no provisions has made in this regard.

29 Based on the information available with the Company, there are no suppliers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as at March 31, 2018.

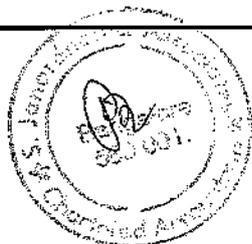
30 Details of CSR expenditure:

Gross amount required to spent during the year was 0.75 million (Previous Year : 2.68 million)

Amount spent during the year ending on March 31, 2021:	In cash	Yet to be paid in cash
Construction/acquisition of any asset	-	-
On purposes other than above	3.50	-
<b>Total</b>	<b>3.50</b>	<b>-</b>

Amount spent during the year ending on March 31, 2020:	In cash	Yet to be paid in cash
Construction/acquisition of any asset	-	-
On purposes other than above	9.20	-
<b>Total</b>	<b>9.20</b>	<b>-</b>



**31 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, 2021 and March 31, 2020.

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, 2021 and March 31, 2020.

**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 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**

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:

		₹ million
	Increase/ decrease in interest rate	Effect on profit before tax
<b>31-Mar-21</b>		
INR	+1%	1.25
INR	-1%	(1.25)
<b>31-Mar-20</b>		
INR	+1%	0.12
INR	-1%	(0.12)



**Sobha Highrise Ventures Private Limited**

Notes to the financial statements for the year ended March 31, 2021

**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.

Receivables resulting from sale of traded goods: The company has the policy of selling the traded goods in cash for sales made to third parties and on credit only to its Group companies and employees. The company's credit period generally ranges from 30-60 days. Therefore 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 2021 and 2020 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):

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	₹ million Total
<b>Year ended March 31, 2021</b>						
Borrowings	255.71	-	-	-	-	255.71
Other financial liabilities	89.97	-	-	-	-	89.97
Trade and other payables	21.49	-	-	-	-	21.49
	<b>367.17</b>	-	-	-	-	<b>367.17</b>
<b>Year ended March 31, 2020</b>						
Borrowings	66.80	-	-	-	-	66.80
Other financial liabilities	108.49	-	-	-	-	108.49
Trade and other payables	31.34	-	-	-	-	31.34
	<b>206.63</b>	-	-	-	-	<b>206.63</b>



**Sobha Highrise Ventures Private Limited**

**Notes to the financial statements for the year ended March 31, 2021**

**32 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	
	As at 31-Mar-21	As at 31-Mar-20
Borrowings (Note 14)	255.71	66.80
Trade payables (Note 15)	21.49	31.34
Other payables (Note 16, 17 and Note 18)	136.29	145.18
Less: Cash and cash equivalents (Note 11)	(5.58)	(11.64)
<b>Net debt</b>	<b>407.91</b>	<b>231.68</b>
Equity (Note 12)	129.00	129.00
Other Equity (Note 13)	525.67	530.82
<b>Total capital</b>	<b>654.67</b>	<b>659.82</b>
<b>Capital and net debt</b>	<b>1,062.58</b>	<b>891.50</b>
Gearing ratio	38%	26%

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, 2021 and year ended March 31, 2020.

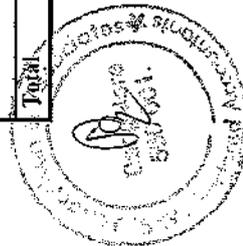


Sobha Highrise Ventures Private Limited  
Notes to the financial statements for the year ended March 31, 2021

33 Fair value measurements

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

Particulars	As at March 31, 2021		As at March 31, 2020		₹ million
	At Cost	Fair value through profit or loss	At Cost	Fair value through profit or loss	
	At Amortised Cost		At Amortised Cost		
<b>Financial assets</b>					
Investment	1.85	0.10	0.10	0.09	-
Other non-current financial assets	-	-	-	-	0.02
Loans	-	-	-	-	231.14
Trade receivables	-	-	-	-	4.97
Cash and cash equivalents	-	-	-	-	11.64
<b>Total</b>	<b>1.85</b>	<b>0.10</b>	<b>0.10</b>	<b>0.09</b>	<b>247.77</b>
<b>Financial liabilities</b>					
Borrowings	-	-	-	-	66.80
Trade payables	-	-	-	-	31.34
Other financial liabilities	-	-	-	-	108.49
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>206.63</b>



### Fair value hierarchy

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

Particulars	As at March 31, 2021				As at March 31, 2020			
	Carrying amount	Fair value			Carrying amount	Fair value		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
Financial assets Investments carried at fairvalue through profit and loss	0.10	0.10	-	-	0.09	-	-	-
<b>Total</b>	<b>0.10</b>	<b>0.10</b>	<b>-</b>	<b>-</b>	<b>0.09</b>	<b>-</b>	<b>-</b>	<b>-</b>

₹ million

### Notes:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for the asset or liability.

There have been no transfers between the levels during the period.

Financial instruments carried at amortised cost such as instruments, trade receivables, cash and other financial assets, borrowings, trade payables and other financial liabilities are considered to be same as their fair values, due to their short term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.



34 Segment information

**Basis of segmentation**

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

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

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

- a) Real estate segment;
- b) Trading segment.

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

The operation of the Trading segment (CM) related to interiors, home furnishing and furniture products.

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

The following tables present revenue and profit information for the Company's operating segments for the year ended 31 March 2021 and 31 March 2020 respectively:

**Business segments**

Particulars	in ₹ million	
	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Segment revenue</b>		
Real estate	10.05	77.81
Trading	9.62	6.43
<b>Total Segment revenue</b>	<b>19.67</b>	<b>84.24</b>
Inter segment revenues	-	-
<b>Net revenue from operations</b>	<b>19.67</b>	<b>84.24</b>
<b>Segment result</b>		
Real estate	2.80	(7.73)
Trading	(21.23)	(14.60)
<b>Total Segment results</b>	<b>(18.43)</b>	<b>(22.33)</b>
Finance costs	(7.96)	(1.21)
Other unallocable expenditure	(3.94)	(10.79)
Other income (including finance income)	24.22	21.49
<b>Profit before taxation</b>	<b>(6.11)</b>	<b>(12.84)</b>
Income taxes	0.96	0.71
<b>Profit after taxation</b>	<b>(5.15)</b>	<b>(12.13)</b>

The following table presents assets and liabilities information for the Company's operating segments as at 31 March 2021 and 31 March 2020 respectively:-

Particulars	in ₹ million	
	As at 31 March 2021	As at 31 March 2020
<b>Segment assets</b>		
Real estate	676.15	551.20
Trading	96.45	76.64
<b>Total segment assets</b>	<b>772.60</b>	<b>627.84</b>
Unallocated assets	295.57	275.31
<b>Total assets</b>	<b>1,068.17</b>	<b>903.15</b>
<b>Segment liabilities</b>		
Real estate	125.20	148.12
Trading	21.34	26.55
<b>Total segment liabilities</b>	<b>146.54</b>	<b>174.67</b>
Unallocated liabilities	266.95	68.66
<b>Total liabilities</b>	<b>413.49</b>	<b>243.33</b>



**Sobha Highrise Ventures Private Limited**  
**Notes to the financial statements for the year ended March 31, 2021**

<b>Capital employed</b>		
Real estate	550.95	403.08
Contractual and trading	75.11	50.09
Unallocated capital employed	28.62	206.65
<b>Total capital employed</b>	<b>654.68</b>	<b>659.82</b>

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

Particulars	in ₹ million	
	For the year ended 31 March 2021	For the year ended 31 March 2020
<b>Capital expenditure</b>		
Real estate	-	-
Trading	5.19	17.38
Unallocated capital expenditure	-	-
<b>Total capital expenditure</b>	<b>5.19</b>	<b>17.38</b>

Capital expenditure consists of additions of property, plant and equipment, intangible assets and capital work-in-progress.

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



Sobha Highrise Ventures Private Limited  
Notes to the financial statements for the year ended March 31, 2021

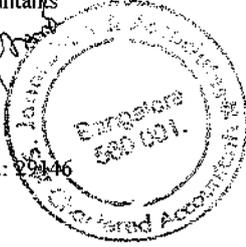
35 Prior year comparatives

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

As per our report of even date

For S.Janardhan & Associates  
ICAI Firm registration number: 005310S  
Chartered Accountants

B. Anand  
Partner  
Membership No.: 09146



Place: Bengaluru, India  
Date: 25th May, 2021

For and on behalf of the Board of Directors of  
Sobha Highrise Ventures Private Limited

Ravi N Doddabale  
Director  
DIN: 07116130

Ravi PNC Menon  
Director  
DIN: 02070036

Barsha Agarwal  
Company Secretary  
A48155

Place: Bengaluru, India  
Date: 25th May, 2021

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