SOBHA

PASSION AT WORK

Date: July 18, 2022

To,

The Deputy Manager Department of Corporate Services, BSE Limited Floor 25, P.J Towers, Dalal Street, Mumbai – 400 001 **Scrip Code: 532784**	The Manager National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex Mumbai – 400 051 **Scrip Code: SOBHA**

Dear Sir / Madam,

Sub: Notice of the 27th Annual General Meeting of the Company for the Financial Year 2021-22 under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Pursuant to Regulation 34 of the Listing Regulations, enclosed herewith is the Annual Report of the Company along with the Notice and the Explanatory Statement of the 27th Annual General Meeting scheduled to be held on Wednesday, August 10, 2022, at 3.00 p.m. (IST) through Video Conference/Other Audio-Visual Means (VC/OAVM).

The Annual Report for the FY 2021-22 is being sent through electronic mode to the Members and is also available on the website of the Company at www.sobha.com

Kindly take the aforesaid information on record in compliance of SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015.

Thanking you.

Yours sincerely,

FOR SOBHA LIMITED

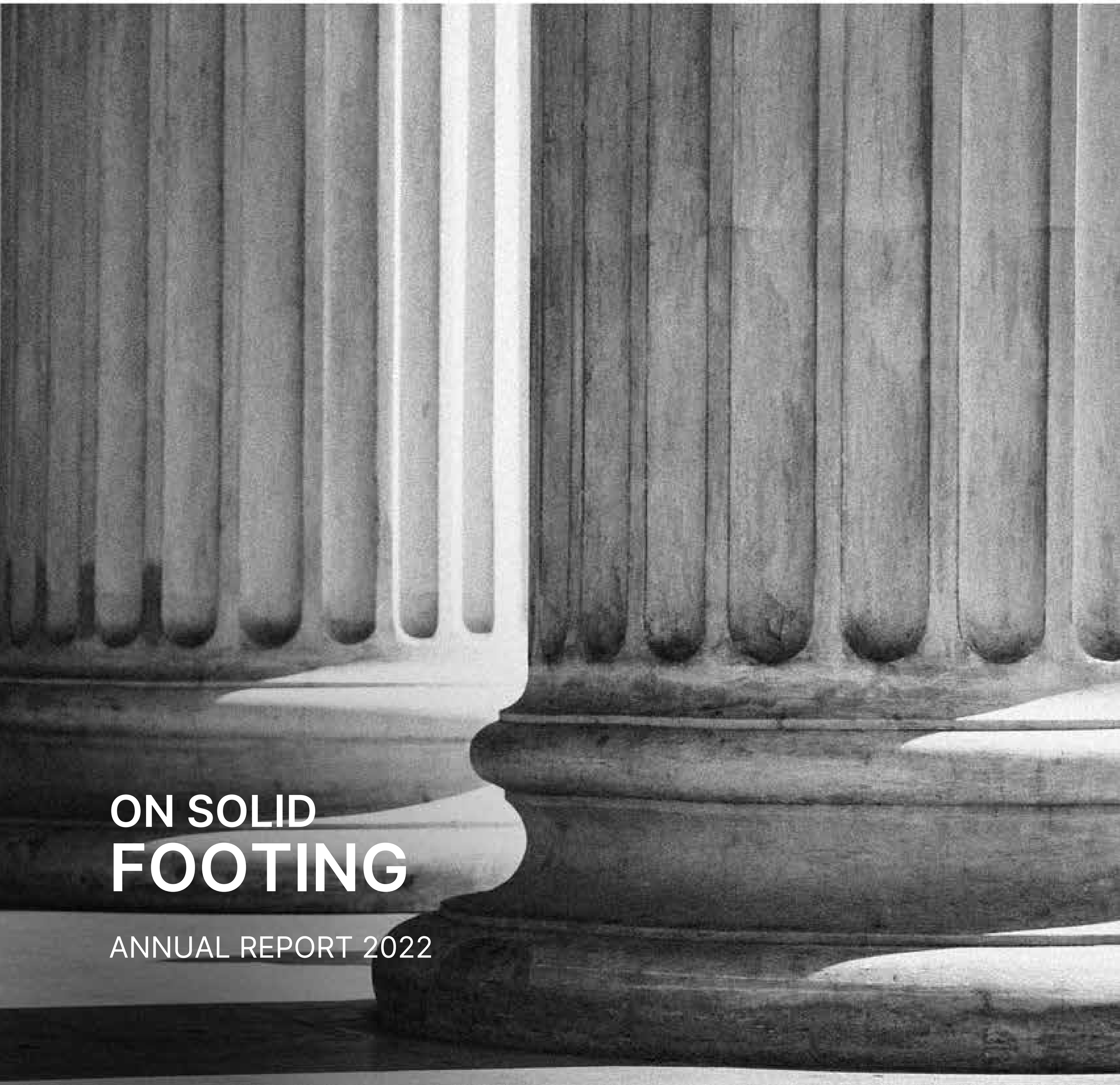
SOBHA LIMITED ★ BANGALORE ★

VBhat

VIGHNESHWAR G BHAT
COMPANY SECRETARY & COMPLIANCE OFFICER

SOBHA

PASSION AT WORK



ON SOLID FOOTING

ANNUAL REPORT 2022


SOBHA Victoria Park, Bengaluru (Artistic impression - Not shot at site)

FOREWORD

SOBHA continued to solidify its presence and as a brand known for its commitment to quality and timely delivery. The company adapted and evolved while staying strongly grounded on its values and purpose.

SOBHA's 'self-reliant' model continued to be one of it's strengths, ensuring that it only delivered the best. The Dream Acres project in Bengaluru is a case in point, precast technology is adapted to create one of the largest properties in India, envisaged to have approximately 7,000 flats spread over 81 acres, in the quickest possible time.

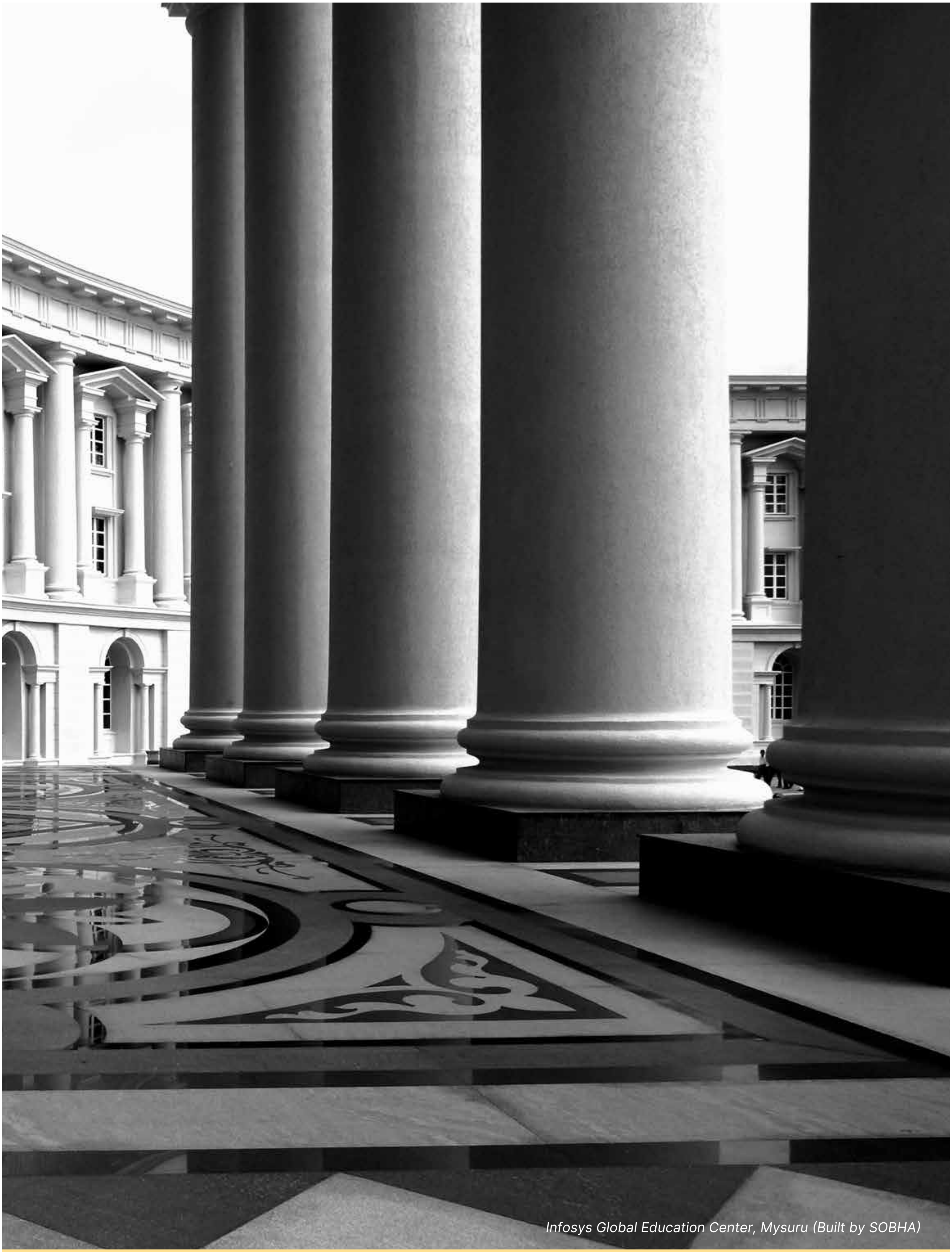
Leveraging technology has always been a key driver for ensuring quality, timely deliveries, and reducing wastage. For instance, using a simple QR code based solution deployed in precast technology, helps cut down time, cost, and wastage associated with conventional building technology. This is just one of many examples to show how SOBHA has embraced technology to remain competitive.

The SOBHA City, Thrissur project has been recognised as the first operational project in India with a platinum rating of 'Net water positive' by IGBC. This recent recognition reflects SOBHA's undying commitment to engrain sustainability across all its operations and projects.

A passion-driven vision and relentless execution make SOBHA the most preferred brand for customers across India who enjoy peace and happiness, which we always strive our best to deliver.

As we foray into the future, SOBHA will only strengthen its leadership with greater focus on internal and external processes and systems, continuing to move ahead on a journey of relentless execution and performance on solid footing.

CONTENTS



Infosys Global Education Center, Mysuru (Built by SOBHA)

ON SOLID FOOTING

The pandemic, the geo-political situation, and a dynamic world economy have thrown up numerous challenges for all of us. In India, rising inflation, increasing commodity and fuel prices, volatile markets, and the weakening of the rupee have had a significant impact on consumer sentiments, demand, and spend. Being resilient appears to be a new norm - true for individuals, businesses, sporting teams, and even nations.

In SOBHA, we exuded our 'Passion at Work', which resulted in stronger operational performance over the last couple of years. We are driven by two guiding forces - the inspiration we draw from our founding member, Mr. PNC Menon, who believed that we can 'change the perception of quality' and secondly standing strong on the foundation of our ethics and values.

We remain unconditionally committed to setting higher standards in quality, execution, innovation, sustainability, and technology adoption, year after year, project after project. This innate resilience has made it possible for us to deliver over 120 mn. sq. ft. of developable area (as of March 31st, 2022) with some award-winning projects and architectural marvels to our credit.

THE ESSENCE OF SOBHA'S QUALITY

SOBHA respects and values the investments and trust that customers have in the company. The company has built a strong culture of ownership and customer excellence, ensuring customers derive more benefits than what any other brand has to offer. The experience of buying a SOBHA product, including performance and reliability, is often regarded as the best in the industry. All construction processes and materials used by SOBHA conform to international quality including with European standards.

Our quest for raising the bar is never ending as we continue to invest in the future deepening our focus on impeccable execution, enhancing customer experience, and developing people to ensure we remain one of the most trusted and respected brands.

Quality being synonymous with SOBHA, the company's ethos and way of working hinges on a quest for perfection across its operations and customer experience. Standardization of processes, systems, and methodologies ensures consistent quality. Strong in-house design, engineering, quality, and execution teams adhere to high standards while leveraging the time-proven snagging and checklist methodologies. Tools such as the construction technology manual, waterproofing calendar, and standard detailing are documents developed in-house which are religiously followed from design through execution and even in the post-execution stages of a project. Multiple and periodic auditing is done to maintain consistent and good quality.

SOBHA was one of the first few companies in the industry to incorporate ISO, OHSAS, and health, environmental, and safety standards. SOBHA recognises the importance of wellness and continually strives to enhance its focus on health and safety.

EXCELLENCE IN EXECUTION CONTINUES

For over 25 years, SOBHA has been proving its mettle with a sharp focus on quality backed by its self-reliant model. Over the years, several thematic architectural styles have taken shape, catering to the varied preferences and tastes of customers across different parts of the country. What sets SOBHA apart is the promise of quality and timely delivery of projects that are best-in-class and offering a premium lifestyle experience with top-notch amenities.

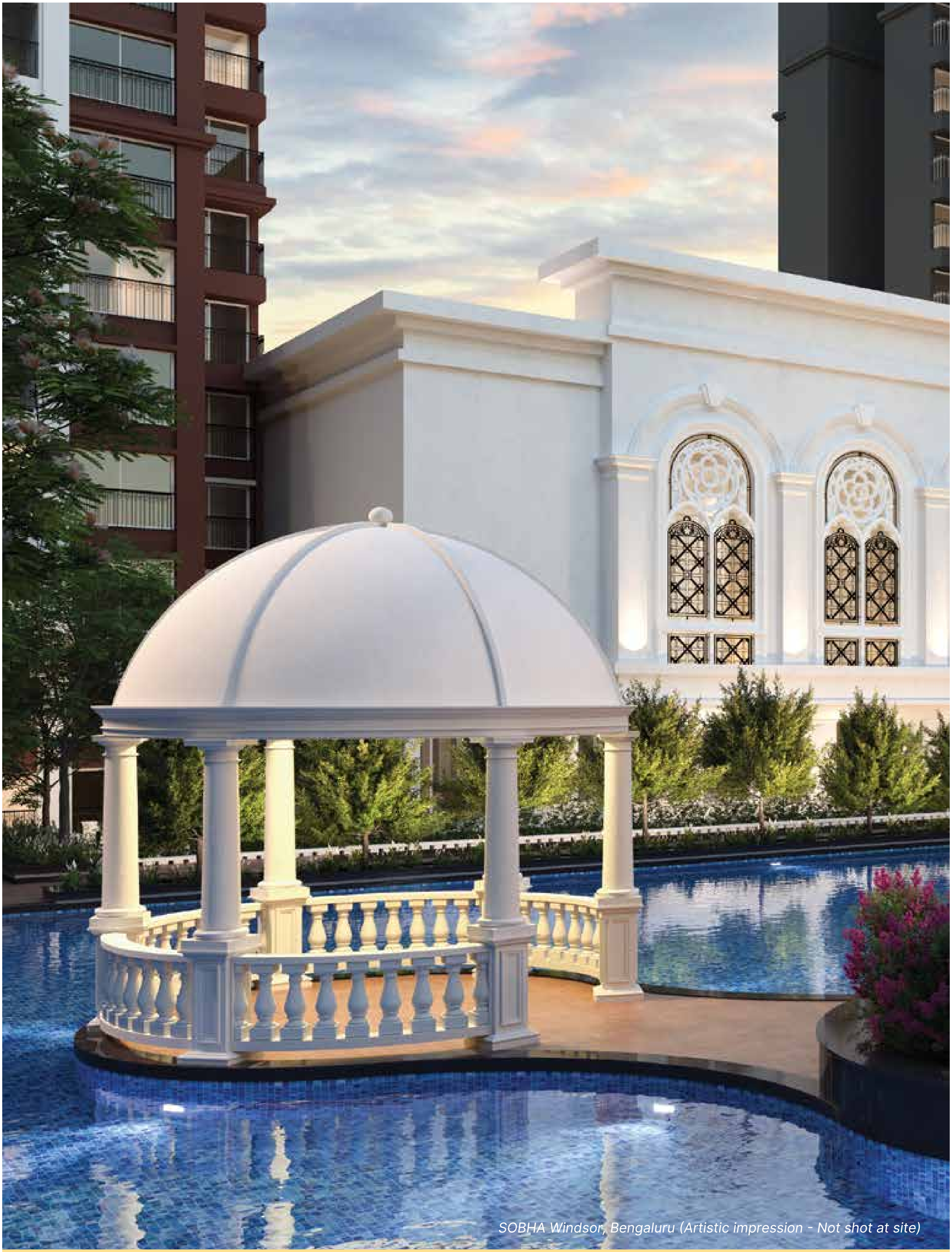
While the recently sold-out project SOBHA Royal Pavilion dons the Rajasthani architectural theme, SOBHA Townpark boasts of a New York style, SOBHA Windsor in Bengaluru embodies an English architectural style, and SOBHA Metropolis illustrates classic Roman architecture in Thrissur. SOBHA's proven track record of delivering projects within the committed time is also a key reason why people trust the company.

ENHANCING CUSTOMER EXPERIENCE AND SERVICE

SOBHA's approach to serving customers better is based on putting 'customers first' while offering a great experience across the entire purchase cycle and after the sale - one of the many benefits that SOBHA customers enjoy.

A secure customer portal is a key customer interface that allows complete access to information about purchases from documentation to project status, with complete transparency. In addition, a toll-free customer service helpline, a customer care cell, and an online facility maintenance module address customers' needs efficiently and effectively, thereby enhancing customer responsiveness and giving customers complete peace of mind.

SOBHA believes that adding a human touch is extremely essential for ensuring customer satisfaction. A single point of customer contact backed by a team of experts is always available to assist customers. This takes away the need for customers to interact with



SOBHA Windsor, Bengaluru (Artistic impression - Not shot at site) various departments to have their queries or any issues resolved. SOBHA's Customer Relationship Management (CRM) continues to evolve, guided by a passion to excel at customer experience and service.

UNLOCKING VALUE

Investments in the form of time, effort, and capital made over the years have helped SOBHA enhance its capabilities and competitiveness. Improved manufacturing processes, job skilling, bettering standards, and using modern materials and technologies are some areas that have resulted in efficient operations. Stronger inventory management, cost optimization across the value chain, better collections, reduction in debt, and lower interest costs have been some of the significant and positive financial gains. The steps we have taken so far will help us achieve balanced and disciplined growth while maintaining our leadership position as a preferred brand.

LEVERAGING BACKWARD INTEGRATION

Our backward integration model continues to create value for customers by way of providing consistent world-class quality and timely delivery. For SOBHA it means better control over quality in every aspect

28 Activities, 72 checklists, and 1456 check points go into every property before handover

India's first and unique backward integration model allows us to maintain high-quality and timely delivery of projects

Dedicated single point of contact to address customer issues with a secure customer portal enhances customer experience

Our passion for excellence is reflected in our execution – relentless with an eye for every detail

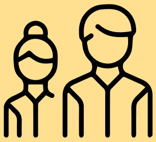
Multiple green initiatives include large waste management plants, solar power, cultivating vegetables, fruits and paddy, and a power laundry that runs on a steam generator at SOBHA Hermitage

– materials, processes, manufacturing, supply, and a whole lot more. Mr. PNC Menon, Chairman Emeritus and Founder, SOBHA Group laid a strong foundation and processes to deliver projects on time with impeccable quality by being completely self-reliant. Everything from precision engineering to aesthetic design and from quality metal glazing to high-class interiors is done in-house.

DIGITALIZATION

Another area where significant efforts are being made is strengthening information technology. Adapting to new technologies, be it in construction or sales management, SOBHA has evolved its IT landscape to ensure best-in-class systems and processes. Implementation of Salesforce.com (SFDC) over two years ago has already yielded huge results, with better quality sale leads providing impetus to a steady growth in the top line. With increasing complexity in the business environment, we are enhancing our IT systems and thus also enhancing our competitiveness. Quality, accessibility, and reliability of documentation are essential for sustained performance. Efforts are underway to move from traditional on-premises to a cloud-based ecosystem. With stronger workflow management already being implemented, SOBHA will improve overall productivity and optimize resources to address the scalability of operations at any given point in time.

Digitalisation of internal processes helps improve reliability, boost responsiveness, and enhance overall productivity



Skilling and reskilling of over 3000 technicians ensure consistent and high quality of our offerings

Safety always comes first with regular audits and training to ensure well-being of our teams

Efforts in resource conservation include rainwater harvesting, STP for treating 100% of sewage generated, and recycling for secondary (flushing/ irrigation) purposes. Solar energy powers Corporate office and factories either entirely or partially

SOBHA Arbor, Chennai (Artistic impression - Not shot at site)

FURTHER STRENGTHENING THE CORE

While we continue to penetrate markets and expand our customer base, it is essential that we strengthen SOBHA's basic fabric - processes and systems to ensure quality and unyielding integrity and compliance.

While SOBHA continues to develop employee-focused programmes and training to better their competencies and create a work environment that is competitive and transparent, small and incremental steps go a long way in promoting a healthy and comfortable environment. During the pandemic, efforts were made to set up testing facilities for employees, providing ambulances at sites, and implementing processes to ensure individual and collective hygiene while establishing protocols to check the spread of the pandemic. Essentials were provided for those quarantined at construction sites in particular, a creche facility for its employees was set up in the office especially looking at challenges associated with working mothers post the pandemic.

SAFETY IS FIRST

Safety is integrated into SOBHA's way of working and is an integral component of the day-today activities, be they in the offices, on sites, or in factories. Continuous efforts are made to raise awareness and understanding about the value of safety and health practices across the organization. A systematic approach at finding and fixing hazards in the workplace forms a part of these programmes. SOBHA follows standards set in the BOCW Act (State wise), OHSAS 45001, EMS 14001, and NBC 2016 related to site and workmen.

FOR A GREENER PLANET AND A BETTER WORLD

Giving back to society has been a core part of SOBHA's operations since inception and it continues to increase focus on bettering lives and being more responsible citizens of the planet. The more of us who contribute to society and the environment, the better it will be for our planet Earth.

SOBHA is one of the very few companies that has a dedicated environmental department to ensure that all projects are designed keeping environmental regulations and standards in mind while causing minimal environmental impact. SOBHA continues to ensure and adhere to all statutory and regulatory environmental obligations while adopting the best industry practices that ensure optimal use and conservation of resources.

As a practice, all large projects are equipped with Sewage Treatment Plants (STPs) and Organic Waste Converter and Water Treatment Plants (WTPs), all adhering to stipulated standards. Using treated and recycled water significantly reduces freshwater requirements in any project by over 30 per cent.

SOBHA has also invested in a dedicated laboratory for water testing to ascertain physicochemical and microbiological parameters that may have a direct impact on human well-being.

Regular audits are also conducted at project sites to ensure consistent compliance with regulations. Compliance is further strengthened through training imparted to personnel at active sites. The company is certified for ISO 9001:2015, ISO 14001:2015, and 0HSAS 45001:2018.

Recognition

We will always be grateful for the accolades and recognition that we continue to receive. But it is the respect and trust of our stakeholders, including customers and employees, that make us proud.

CORPORATE

SOBHA Limited topped the charts in 'Best Practices' category nationally for the 3rd consecutive year at the Track2Realty's Brand X Report 2020-21.

Best Developer of the Year (Large Category) - CIA WORLD Construction & Infra Awards 2021.

Construction World Design-Build Award for the category 'Stalwarts of the South,' Bengaluru - Construction World.

SOBHA featured in the list of the 500 high-growth companies in APAC region – Financial Times.

One of India's Top Builders 2020 – Construction World Architect and Builder Awards.

SOBHA recognized as one of the Hot 50 Brands in Bengaluru – Paul Writer.

SOBHA recognized with the 'Developer of the Year (National)' Award - 12th Annual Estate Awards 2020 by Franchise India and RE/MAX.

HEALTH, SAFETY, AND ENVIRONMENT

SOBHA City, Thrissur awarded Net Water Positive (Platinum) Rating – Indian Green Building Council (IGBC).

Outstanding Performance in Best Safe Practices during 2020 - Government of Karnataka, State Safety Institute.

SOBHA meets environmental, occupational, health & safety standard requirements of ISO 14001:2015 and ISO 45001:2018 – Bureau Veritas Certification.

Safety Award 2010 - Bayer Material Science, Greater NOIDA.

PROJECTS

Titans of Real Estate for SOBHA City, Gurgaon- Iconic Project with Best Amenities - Hindustan Times.

Achievement Award for Best Construction Projects - SOBHA Sapphire, Thrissur (Kerala) – CIDC.

Most Outstanding Structure built in Pune - Infosys Food Court 3 - Indian Concrete Institute (ICI).

CNBC-Awaaz Real Estate Awards 2018-19 - Best Residential Project (Luxury Segment) - International City - Phase I – CNBC Awaaz.

LEADERSHIP

Pravasi Bharathiya Samman Award (2009) - Mr. P.N.C Menon, Chairman, SOBHA Developers – Government of India.

Chairman, Mr. Ravi Menon with the 'Best CEO of the year 2016' Award – Construction Times.

Mr. P.N.C Menon, Founder and Chairman Emeritus, SOBHA Limited, honoured with the Arabian Indian Czar Award – Times Now.

CORPORATE SOCIAL RESPONSIBILITY

PRSI Award for Corporate Social Responsibility – Public Relations Society of India (PRSI).

'Best CSR Initiative of the Year' at Construction Week Awards 2015 - *Construction Week India* (ITP Publishing).

THE SOBHA FOOTPRINT

SOBHA's strength lies in its backward integration model built on a self-reliant approach. This strength helps deliver product excellence and a customer experience that instil trust, fosters a reputation that promises quality, and builds relationships that last forever.

Working hard behind the scenes to deliver consistent quality and memorable experiences are Sobhaites guided by their passion for excellence, working in a network of marketing and sales offices that are close to customers, and design, engineering, and execution teams and factories that create the magic that customers experience.

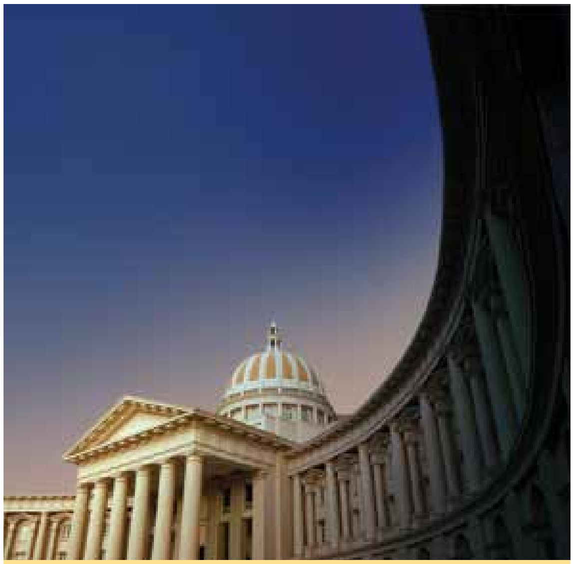
Following the company's philosophy of 'Passion for Excellence' the stamp of quality is ensured through a multi-level quality plan comprising of control over incoming material that is sourced from reputed, reliable, and trusted partners, through manufacturing, testing, and delivery. Frequent training and skilling of workers is integral to the SOBHA way. It is the skill and expertise of people that ultimately results in the quality of products that SOBHA is committed to.

Across all production facilities, a strong process-driven culture prevails in manufacturing, health, safety, and sustainability practices built on the 'Passion for Excellence' philosophy. In fact, sustained efforts are made to sensitize and educate employees about the importance of following processes and systems through various training programmes and checklists. As a sustainability practice, waste water resulting from the production processes is treated and reused to the maximum extent possible. All other process wastes are reused making net waste generation virtually nil. Most of the energy needs of the factories are also met through solar panels on the rooftops.

REAL ESTATE

SOBHA today is a well-known and preferred brand across the country for its offerings, which include presidential apartments, villas, row houses, luxury and super luxury apartments, plotted development, and aspirational homes. It is one of the most admired and trusted real estate brands and is known for its impeccable quality products delivered on time in a transparent manner.

Customers' preferences change over time, and today we are seeing a greater demand for larger flats, that are themed to customers' tastes and are equipped with a wide range of amenities. SOBHA continue to focus on developing and delivering projects that meet the aspirations and needs of its customers – more green spaces on balconies, terraces, and roof tops in addition to designs that cater to home offices. As of March 31st 2022, SOBHA has completed 169 real estate projects. SOBHA products come with the promise of international quality, superior design, and best-in-class technology from across the world.



CONTRACTING

SOBHA Contractual focuses on developing offices, convention centres, software development blocks, multiplex theatres, hostel facilities, hotels, guest houses, food courts, restaurants, research centres, club houses, and factory buildings for its many well-known and respected corporate clients. Among SOBHA's corporate clients are Infosys, the Taj Group, Dell, HP, Timken, Biocon, Institute of Public Enterprises (IPE), Lulu, Manipal Group, RMZ, UST Global, Brookfields, Prestige, the Azim Premji Foundation, and the International Foundation for Research and Education (Ashoka University).

The ability to cater to a wide range of clients, multiple sectors, and the demanding needs of customers comes from SOBHA's self-reliant backward-integration model that allows better control over quality and delivery. There is an added advantage of being able to offer integrated solutions through efficiency and cost optimization that SOBHA can achieve backed by strong and stringent quality processes.

CONCRETE PRODUCTS

Concrete products from SOBHA form the building blocks and a strong foundation for its offerings. Spread over approximately 8 acres, multiple shop floors cater to different products such as pavers, kerbs, solid and hollow blocks, GFRC, and precast concrete.

Products are manufactured at the concrete products factory on machinery imported from Germany and UK that is maintained and serviced following the highest standards.

While raw materials are sourced from the most trusted and reputed partners, the well-equipped laboratory takes care of the raw and finished material's quality testing.

INTERIORS

SOBHA's Interiors business adopts the best in engineering, standards, practices, and technology to offer durable, high-quality, and aesthetically pleasing products and services ranging from woodwork like furniture and doors to false ceilings, wall partitions, flooring and more.

The factory that does a wide variety of interior work is spread over 3,75,000 sq. ft. having the finest wood working machines and employing over 500 plus skilled tradesmen. The production unit is equipped to take on a variety of custom-built joinery work and has a capacity to produce more than 5,000 doors and 100 kitchens and wardrobes in a month. The wood is sourced from a select panel of vendors who are certified by PEFC (Programme for Endorsement of Forest Certification). This ensures that the wood is sourced from suppliers who are committed to proper forest management as prescribed by PEFC and have minimal environmental impact. All material that is used for the products is carefully selected for the best fit and finish.

GLAZING AND METAL WORKS

This division, operational since 2000 moved to a new location, co-hosted with other SOBHA factories. It is a state-of-the-art factory spread over a 100,000 sq. ft. floor area which can accommodate 300 workmen.

SOBHA manufactures predominantly unitized panels with a current capacity of approximately 360 sq. m. of panel per day, equivalent to 80 panels. Other than unitized, the factory can also make semi-unitized glazing, doors, windows, PEB structures, balustrades, railings, and decorative fencing. Shop floor employees are well trained and 50 per cent of them have been working with SOBHA for more than 15 years. The department follows all safety and quality standards and has an ISO certification. It is also tapping solar energy through solar panels on the roof of the factory. The factory is equipped with all required machines for CNC cutting, CNC lathe, sub arc welding, and rolling machines making it capable of doing anything with metal pertaining to the building industry.

MATTRESSES

SOBHA's Mattresses division manufactures and markets the 'RestoPlus' brand that is available in over 27 varieties and is exported to several countries across the world. These high-quality mattresses are made using the best steel, foam, and fabric sourced from the most reputed suppliers. A stringent manufacturing process and a rigorous quality programme ensure that only the best is produced and delivered to customers. To ensure sustained quality of the products, materials and finished products are periodically tested in a 'Sleep laboratory.' Spread over 5,000 sq. m., the mattress manufacturing facility incorporates some of the latest manufacturing processes with specialized equipment imported from European countries and America. Regular training of the skilled manpower ensures better productivity and a consistent quality of the products. The factory has implemented a process that continually improves health and safety standards for employees' well-being. To ensure minimal environmental impact, a majority of the energy consumed comes from installed solar panels.

METERCUBE

One of SOBHA's strengths lies in being a one-stop solution for home buyers. Apart from offering residential flats, SOBHA also offers customers a wide range of home furniture and furnishing products under the brand name, METERCUBE. This is an omnichannel retailer with offline stores, interior packages (semi-finished with kitchens and wardrobes, fully furnished homes for living, bedrooms, and more with the METERCUBE range of products), and online. Full-fledged in-house design and engineering, interior design, strategic sourcing, manufacturing, and warehouse operations help ensure quality and timely delivery of all goods and services offered.

A true showcase of the METERCUBE's offerings can be experienced at our flagship store located in Bengaluru, at our One SOBHA Mall.

CHAIRMAN'S MESSAGE

Dear Shareholders and friends of SOBHA,

FY 2021-22 has been one of many challenges and opportunities for enterprises and individuals alike, which also reminds me of a very popular quote "Smooth seas don't make skilled sailors". Simply put, this quote reflects SOBHA's journey over the last year – on solid footing.

On a positive note, SOBHA recorded its best ever quarters during this financial year with highest ever sales and cashflow. One of our biggest wins has been reducing our debt substantially and lowering our borrowing costs. This was made possible by the resolve we made as a company to address this over time with clear milestones identified. While markets opened up and normalized steadily, undoubtedly it is the zeal and commitment of our employees that helped us deliver such a solid performance. I thank them immensely for their contribution, staying grounded yet being nimble enough to address the changing market and the economy, which has seen its fair share of ups and downs.

A lot has been said and written about the geo-political situation, the economy, the pandemic, and future growth scenarios. We at SOBHA are prepared and agile enough to capitalize on any challenge or opportunity ahead of us guided by our passion for excellence and delivering quality products on time. This undying commitment has earned us customers' trust and a reputation in the market that we hold dearly.

We are recharging the SOBHA enterprise – implementing technology across operations, skilling and reskilling teams, making operations more stringent, placing greater focus on resource management, and revisiting our strategy as often as is needed, to remain competitive and occupy a market-leading position.

During the year, we witnessed increasing input costs in the form of rising commodity prices and challenges associated with adequate manpower at sites, which I must admit had their fair share of challenges on account of the pandemic and inflation.

Despite these challenges and a reasonably uncertain environment, SOBHA maintained a steady sales momentum through the year and achieved historic sales and cashflows in financial year 2021-22. Robust cashflows helped reduce our net debt by ₹5.16 billion in financial year 2021-22, bringing down our Net Debt/Equity ratio below 1. The company's focus on execution, improved delivery, and strong real estate sales also significantly contributed to its performance. The company achieved its highest ever sales volume in FY 22 at 4.91 mn. sq. ft., which is ~22% higher than its sales volume in the preceding year and the pre-pandemic FY 19. We almost doubled our net profit from ₹629 million in FY 21 to ₹1,160 million in FY 22.

Our real estate presence in Indian cities is promising. We have completed projects located across 7 cities, with a total developable area of 63.04 mn. sq. ft since inception. We also have more than 15 new residential projects in the pipeline with a total saleable area of 13.21 mn. sq.ft.

In the contractual segment, SOBHA has completed 57.04 mn. sq. ft. of area for various clients in 27 cities across India, till date. Currently SOBHA is executing 3.29 mn. sq. ft. of area across 6 cities.

Demand in the housing sector is holding out and will continue, including in our primary market Bengaluru, where we see good traction in the luxury segment. Post-pandemic there is an increasing and positive sentiment to own homes, with the demand for larger homes as well. The IT sector is one of the catalysts of this growing demand but may balance out with any impending interest rate hikes, the current geo-political situation, and the overall health of the global economy.

But as in the past, your SOBHA will continue to remain resilient and strong footed. We will continue to leverage our strong backward integration model that allows us to scale up as required and continue to deliver on time and with impeccable quality – which is the essence of SOBHA.

I am also pleased to share that the SOBHA Dream Acres project in Bengaluru that consists of approximately 7,000 flats is one of the largest properties in India, is being developed using precast technology. This technology helps reduce construction time by over 30 per cent.

SOBHA has always invested in R&D to ensure better quality, cost optimization, and following world-class engineering and execution methodologies to enhance its competitiveness. Soil testing, best-in-class formwork, testing of concrete blocks at site, and pile integrity tests are a few areas where we have made significant progress. These new initiatives are now a part of our standard project execution process and have yielded significant benefits for the organization. This willingness to learn and adapt combined with our extensive real estate execution experience spread across more than 27 cities in India, has enabled us to constantly improve our construction capabilities.

Our recent recognition by the Indian Green Building Council (IGBC) – a platinum rating for 'Net Water Positive' for our SOBHA City, Thrissur project is a humbling experience. A manmade lake was conceived by our Founder and Chairman Emeritus, Mr PNC Menon way back in 2006 that helps conserve rainwater - making the entire residential cum commercial township completely self-sufficient.

We at SOBHA strongly believe that giving back to society is critical to sustain and better human lives. Our Corporate Social Responsibility (CSR) takes 'Devotion at Work' much like our philosophy 'Passion at Work.' Our efforts, that come from the heart, touch the lives of the less fortunate and those in backward areas. Education, providing support for single mothers, employment, and healthcare facilities are some ways by which we continue to make a positive difference.

On a closing note, I would like to thank our colleagues on the Board for their valuable support and guidance and for encouraging us to do what is best and right. As always, my gratitude and heartfelt thanks to all Sobhaites, no matter where they are situated, at our sites, factories or offices, each one of them is a strong building block of SOBHA.

Wishing each of you and your loved ones well.
Stay safe.

Ravi PNC Menon

Chairman

Sobha Ltd.

BOARD OF DIRECTORS

MR. RAVI PNC MENON - CHAIRMAN

Mr. Ravi PNC Menon is the Chairman of the Company. He holds a degree in Bachelor of Science in Civil Engineering from Purdue University, USA. He has Eighteen years of experience in the field of construction and real estate development. He is responsible for developing the strategic vision of the Company, establishing the organisations' goals and objectives and directing the Company towards its fulfilment. He focuses on the overall functioning of the Company, in particular, emphasising on product delivery, project execution, quality control, technology advancement, process and information technology and customer satisfaction. He supervises the performance of various departments in the organisation such as Design and Engineering, Project Management, Sales and Marketing, Quality, Safety and Technology, Estimation, Cost Audit, Value Engineering, Landscaping, etc. He played a key role in the successful integration of pre-cast technology in our construction methodology. He plays an influential and prominent role in augmenting the product delivery levels of the Company, attainment of superior standards of quality, new product launches and customer relationship management.

MR. JAGADISH NANGINENI - MANAGING DIRECTOR

Mr. Jagadish Nangineni is the Managing Director of Company. He has been associated with Sobha since November 2009 and has 20 years of experience in real estate, technology and consulting. He is entrusted with the overall responsibility of managing the affairs of the Company and for achieving the targets of the Company. He plays an instrumental role in leading the growth mantle of the Company in all operational businesses and related functions. Prior to working in Sobha, he has worked in various consulting and technology roles. Mr. Jagadish Nangineni holds MBA from the Indian Institute of Management, Calcutta and has done Bachelor of Technology (B.Tech) in Civil Engineering from Indian Institute of Technology, Bombay.

MR. R.V.S. RAO - INDEPENDENT DIRECTOR

Mr. R.V.S. Rao is an Independent Director of the Company. He holds a bachelor's degree in Commerce from the University of Mysore and a bachelor's degree in law from Bangalore University. He is a fellow member of Indian Institute of Banking and Finance. He has over 50 years of experience in the areas of banking and finance. He has served on the Board of Directors of Housing Development Finance Corporation Limited. As a United States Agency for International Development (USAID) Consultant, he was the team leader that reviewed operations and made recommendations for the Housing Finance Company, Ghana, Africa. He also led the consultancy team, which advised the National Development Bank of Sri Lanka in establishing its mortgage finance business. He is an associate of Indian Institute of Bankers and a life member of All India Management Association.

MR. ANUP S SHAH - INDEPENDENT DIRECTOR

Mr. Anup S Shah is an Independent Director of the Company. He holds a bachelor's degree in commerce from HR College, Mumbai and a degree in law from Government Law College, Mumbai. He has over 38 years of experience in the field of law, specifically real estate law. Since founding his own firm in 1993, he has advised developers, builders and foreign and domestic investors in structuring real estate transactions, leases, development agreements and joint ventures. He specialises in commercial and property documentation, corporate and commercial litigation, property related issues, land laws and arbitration and alternative dispute resolutions.

MS. SRIVATHSALA K N - INDEPENDENT DIRECTOR

Ms. Srivathsala is an Independent Director of the Company. She is an entrepreneur, strategic business advisor, financial planner, active angel investor, start-up expert and a mentor. She is the founder of four organisations - Fintrans Investment Advisors, Wintrans Consultancy, Eleasee and Vandyam Prasada Foods. She is a mentor at Prahlad Kakkar's Institute of Branding and Entrepreneurship, and IIT Bombay and Kharagpur. She guides students on financial planning and entrepreneurship. Besides this, she has conducted several training and awareness programmes on entrepreneurship and financial literacy for corporates, public and students. Ms. Srivathsala is a certified financial planner and an accounting technician from the Institute of Chartered Accountant of India. She holds a Master's degree in Commerce from the Bangalore University.

MR. RAMAN MANGALORKAR - INDEPENDENT DIRECTOR

Mr. Raman Mangalorkar is an Independent Director of the Company. He is an entrepreneur and currently running a health-tech startup in the life extension and age reversal space. He has worked as Chief Executive Officer (CEO) of Jubilant Agri and Consumer Products Limited and as the Managing Director of Highstreet Capital in the Private Equity space. He worked with A.T. Kearney as the Head of the Consumer and Retail Practice for Asia Pacific on a variety of projects around the world including in the USA, UK, Switzerland, Japan, Korea and South America. Before this, he focused on the Corporate Finance and Treasury functions with Federal Mogul in Detroit. Mr. Raman Mangalorkar has thirty years' experience of industry, consulting and private equity and worked across the globe on a wide range of strategic, operational and organization issues. His areas of expertise includes formulating business strategies, transforming supply chains, and managing large scale program implementations especially in the Retail and Consumer industries. Mr. Raman Mangalorkar completed his Masters in Business Administration from Indiana University (Kelley School of Business) with specializations in Finance and MIS. He also has a Master's in commerce from Bangalore University.

COMMITTEES OF THE BOARD

AUDIT COMMITTEE

Mr. R V S Rao (Chairman)
Mr. Jagadish Nangineni
Ms. Srivathsala K N
Mr. Raman Mangalorkar

STAKEHOLDERS RELATIONSHIP COMMITTEE

Ms. Srivathsala K N (Chairman)
Mr. Ravi PNC Menon
Mr. Raman Mangalorkar
Mr. Jagadish Nangineni

NOMINATION, REMUNERATION AND GOVERNANCE COMMITTEE

Mr. Anup S Shah (Chairman)
Mr. R V S Rao
Mr. Ravi PNC Menon
Mr. Raman Mangalorkar

RISK MANAGEMENT COMMITTEE

Mr. Anup S Shah (Chairman)
Mr. Ravi PNC Menon
Mr. Jagadish Nangineni
Mr. Yogesh Bansal

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Mr. Anup S Shah (Chairman)
Mr. Jagadish Nangineni
Ms. Srivathsala K N

SHARE TRANSFER COMMITTEE

Mr. Jagadish Nangineni (Chairman)
Mr. Ravi PNC Menon
Ms. Srivathsala K N

CORPORATE INFORMATION

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Vighneshwar G Bhat

CHIEF FINANCIAL OFFICER

Mr. Yogesh Bansal

STATUTORY AUDITORS

M/s. B S R & Co. LLP
Maruthi Infotech Center, 11-12/1, Inner Ring Road,
Koramangala, Bangalore 560071.

BANKERS

Aditya Birla Finance Limited
Aditya Birla Housing Finance Limited
Arka Fincap Limited
Axis Bank
Bajaj Housing Finance Limited
Bank of Baroda
Bank of India
Catholic Syrian Bank
DBS Bank India Limited
DCB Bank Limited
Deutsche Bank
HDFC Bank Limited
HDFC Limited
ICICI Bank
IndusInd Bank
Karur Vysya Bank Limited
Kotak Mahindra Bank
Kotak Mahindra Investments Limited
RBL Bank
South Indian Bank Limited
Standard Chartered Bank
State Bank of India
Tata Capital Financial Services Limited
Union Bank of India

REGISTERED AND CORPORATE OFFICE

Sobha Limited
'SOBHA'
Sarjapur-Marathahalli Outer Ring Road (ORR),
Devarabisanahalli, Bellandur Post,
Bangalore - 560 103.
Tel: +91 80 4932 0000 Fax: +91 80 4932 0444
www.sobha.com
CIN: L45201KA1995PLC018475

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 27th Annual Report on the business and operations of the Company together with the audited results for the financial year ended March 31, 2022.

FINANCIAL HIGHLIGHTS				(₹ In million)
Particulars	Standalone		Consolidated	
	2021-22	2020-21	2021-22	2020-21
Total Revenue	**28,089.59**	**21,911.51**	**28,215.75**	**21,904.00**
Operating Expenditure	18,599.30	14,650.33	18,416.06	14,346.34
Earnings before Interest, Depreciation and Amortisation	9,490.29	7,261.18	9,799.69	7,557.66
Depreciation and Amortisation	680.42	754.96	721.09	793.67
Finance Cost	7,283.26*	5,759.58*	7,496.58**	6,012.14**
Profit Before Tax	**1,526.61**	**746.64**	**1,582.02**	**751.85**
Tax Expenses	398.09	91.25	413.19	129.09
Profit after Tax	**1,128.52**	**655.39**	**1,168.83**	**622.76**

* On a standalone basis, the Finance cost includes notional interest accrued on advance from customers as per IND AS 115 amounting to ₹4,475 million and ₹2,515 million, for the year ended 31st March, 2022 and 31st March, 2021 respectively.

** Similarly, on a consolidated basis, the Finance cost includes notional interest accrued on advance from customers as per IND AS 115 amounting to ₹4,599 million and ₹2,650 million, for the year ended 31st March, 2022 and 31st March, 2021 respectively.

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the balance sheet relates and the date of this report.

BUSINESS AND OPERATIONS

A. BUSINESS OVERVIEW

The Company is operating in the following two segments:

- Construction and development of residential and commercial projects
- Contractual projects

A summary of completed and ongoing projects as on March 31, 2022 has been detailed in the Management Discussion and Analysis Report titled 'Management Report' which forms a part of the Annual Report.

B. FINANCIAL OVERVIEW

Standalone

During financial year 2021-22, the Company had on a standalone basis, earned total revenues of ₹28,089.59 million as compared to ₹21,911.51 million in the previous year, an increase of 28.20 per cent y-o-y. The Profit before Tax during the year was ₹1,526.61 million as against ₹746.64 million in the previous year, increased by 104.46 per cent and Profit after Tax during the year was ₹1,128.52 million as against ₹655.39 million in the previous year, that is, increased by 72.19 per cent.

Consolidated

The consolidated revenues of the Company during the financial year 2021-22 were ₹28,215.75 million, an increase of 28.82 per cent from the previous year. The Profit before Tax increased by 110.42 per cent and Profit after Tax (after considering minority interest) increased by 87.69 per cent as compared to the financial year 2020-21.

Transfer to Reserves

Your Directors propose to transfer ₹112.85 million of the current profits to the General Reserve.

Dividend

The Company aims to follow a consistent dividend pay-out while striving to achieve a trade-off between deployment of internal accruals for growth and the payment of dividend.

The Board of Directors, subject to the approval of the shareholders at the ensuing Annual General Meeting are pleased to recommend a dividend of ₹3.00 per equity share of ₹10 each.

The Dividend Distribution Policy is available on the Company's website at: https://www.sobha.com/wp-content/uploads/2020/10/153630151720180907.pdf

C. OPERATIONAL OVERVIEW

Completed Projects

During the year under review, the Company executed and handed over 4.07 million square feet real estate projects and 3.71 million square feet of contractual projects resulting in an aggregate development of 7.78 million square feet.

The Company has completed construction of 120.08 million square feet of area since its inception.

Ongoing Projects

The Company currently has real estate projects aggregating 29.33 million square feet of developable area. It has 3.29 million square feet of ongoing contractual projects which are in various stages of construction.

The Company has a geographic presence in 27 cities across 14 states in India.

SHARE CAPITAL RELATED MATTERS

A. SHARE CAPITAL

The authorized share capital of the Company is ₹2,000,000,000 divided into 150,000,000 equity shares of ₹10 each and 5,000,000 preference shares of ₹100 each. At the beginning of the year under review, the issued, subscribed and fully paid up capital was ₹948,458,530 divided into 94,845,853 equity shares of ₹10 each. There was no change in the issued, subscribed and fully paid up share capital of the Company during the year under review. Sobha Limited is a public limited company and its equity shares are listed on the National Stock Exchange of India Limited and BSE Limited.

B. CHANGES IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

During the year under review, Sobha Highrise Ventures Private Limited, a wholly owned subsidiary of the Company, disposed off the entire shares of Annalakshmi Land Developers Private Limited (wholly owned subsidiary of Sobha Highrise Ventures Private Limited). With this disposal, the Company has six direct subsidiaries and five step-down subsidiaries. The Company also has economic interest in a partnership firm.

BOARD OF DIRECTORS AND ITS COMMITTEES

A. COMPOSITION OF THE BOARD OF DIRECTORS

As on March 31, 2022, the Board of Directors of the Company comprised six Directors of which, three were Non-Executive Independent Directors and three were Executive Directors. The composition of the Board of Directors is in compliance with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and Section 149 of the Companies Act, 2013.

The Company has received necessary declarations from the Independent Directors stating that they meet the criteria of independence as specified in Section 149(6) of the Companies Act, 2013 and Regulation 25(8) of the Listing Regulations.

B. CHANGES IN DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, Mr. Sumeet Jagdish Puri, Non-Executive Independent Director resigned with effect from October 7, 2021.

Mr. Jagdish Chandra Sharma resigned from the position of Director, Vice Chairman and Managing Director and Key Managerial Personnel (KMP) of the Company and ceased holding the said position with effect from April 1, 2022. Mr. T P Seetharam, retired from the position of Director and Whole-time Director effective close of March 31, 2022 and ceased holding the said position effective April 1, 2022. Mr. Jagadish Nangineni was appointed as an Additional Director and Whole-time Director designated as Managing Director and Key Managerial Personnel (KMP) with effect from April 1, 2022. Mr. Raman Mangalorkar was appointed as an Additional Director in the capacity of Non-Executive Independent Director with effect from April 1, 2022.

C. MEETINGS

During the year under review, the Board of Directors met seven times on the following dates:

1. June 12, 2021
2. June 22, 2021
3. August 14, 2021
4. September 18, 2021
5. November 8, 2021
6. February 11, 2022
7. March 14, 2022

In accordance with the provisions of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was held on March 30, 2022.

D. RE-APPOINTMENT OF DIRECTORS RETIRING BY ROTATION

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Ravi PNC Menon, Chairman (DIN: 02070036) is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board of Directors based on the recommendation of Nomination, Remuneration and Governance Committee, has recommended the re-appointment of Mr. Ravi PNC Menon, Director, retiring by rotation.

The Notice convening the Annual General Meeting includes the proposal for re-appointment of Mr. Ravi PNC Menon as a Director of the Company. A brief resume of Mr. Ravi PNC Menon has been provided as an Annexure to the Notice convening the Annual General Meeting. Specific information about the nature of Mr. Ravi PNC Menon's expertise in specific functional areas and the name of the companies in which he holds directorship and membership/chairmanship of the Board Committees has also been provided in the Notice convening the Annual General Meeting.

E. PERFORMANCE EVALUATION

In terms of Section 134 (3) (p) read with Articles VII and VIII of Schedule IV of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance and that of its statutory committees - the Audit Committee, Stakeholders' Relationship Committee, Nomination, Remuneration and Governance Committee and that of the Individual Directors.

The Board assessed the performance and the potential of each of the Independent Directors with a view to maximizing their contribution to the Board. As envisaged by the Act, the Independent Directors reviewed the performance of the Chairman of the Board at a Meeting especially called for that purpose. At the same Meeting, a review of the Executive Directors was also carried out.

F. DIRECTORS' RESPONSIBILITY STATEMENT

According to the information and explanations obtained, pursuant to Section 134(5) of the Companies Act, 2013, your Directors hereby confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;

b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

c) proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the annual accounts have been prepared on a going concern basis;

e) internal financial controls to be followed by the Company have been laid down and such internal financial controls are adequate and operating effectively; and

f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDIT RELATED MATTERS

A. AUDIT COMMITTEE

The composition of the Audit Committee as on 31st March, 2022 was:

1. Mr. R V S Rao (Independent Director) - Chairman
2. Ms. Srivathsala K N (Independent Director) - Member
3. Mr. J C Sharma (Vice Chairman and Managing Director) - Member

Due to changes in Board of Directors of the Company, the composition of the Audit Committee with effect from April 1, 2022 is:

1. Mr. R V S Rao (Independent Director) - Chairman
2. Mr. Jagadish Nangineni (Managing Director)- Member
3. Ms. Srivathsala K N (Independent Director) - Member
4. Mr. Raman Mangalorkar (Independent Director) - Member

The terms of reference, the powers, roles and responsibilities of the Audit Committee are in accordance with the requirements mandated under Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

During the period under review, the advice and suggestions by the Audit Committee were duly considered and accepted by the Board of Directors. There were no instances of non-acceptance of such recommendations.

B. STATUTORY AUDITORS

The present Statutory Auditors, Messrs B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), will hold office up to the conclusion of the 27th Annual General Meeting and have not expressed willingness for re-appointment as Statutory Auditors of the Company. The Board of Directors have recommended the appointment of Messrs Walker Chandiok & Co. LLP, Chartered Accountants (Firm registration No. 001076N/N500013), as the Statutory Auditors of the Company for a period of five years from the conclusion of 27th Annual General Meeting till the conclusion of the 32nd Annual General Meeting, subject to approval of the members at the Annual General Meeting.

A resolution seeking approval of appointment of Messrs Walker Chandiok & Co. LLP, Chartered Accountants (Firm registration No. 001076N/N500013), as Statutory Auditors of the Company forms part of the Notice convening the ensuing Annual General Meeting.

The Statutory Auditors expressed an unmodified opinion in the audit reports with respect to audited financial statements for the financial year ended March 31, 2022. There are no qualifications or adverse remarks in the Statutory Auditors' Report which require any explanation from the Board of Directors.

C. SECRETARIAL AUDIT

Secretarial Audit of the Company for the year ended March 31, 2022 was conducted by Mr. Nagendra D Rao, Practicing Company Secretary. The Secretarial Audit Report issued by Mr. Nagendra D Rao, in accordance with the provisions of Section 204 of the Companies Act, 2013 is provided separately in the Annual Report **(Annexure A).**

There are no qualifications or adverse remarks in the Secretarial Audit Report which require any explanation from the Board of Directors.

D. COST AUDIT

The Cost Audit Report for the financial year 2020-21 was filed with the Ministry of Corporate Affairs, New Delhi within the due date prescribed under the Companies (Cost Records and Audit) Rules, 2014. There are no qualifications or adverse remarks in the Cost Audit Report which require any explanation from the Board of Directors.

Based on the recommendations of the Audit Committee, the Board of Directors has re-appointed M/s. Srinivas and Co, Cost Accountants (Firm Registration No: 000278), as the Cost Auditors of the Company for the financial year 2021-22. In terms of Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors for financial year 2021-22 is subject to ratification by the shareholders of the Company. The Notice convening the Annual General Meeting contains the proposal for ratification of the remuneration payable to the Cost Auditors.

E. INTERNAL AUDIT AND INTERNAL FINANCIAL CONTROLS

The Internal Audit Team is responsible for assurance with regard to the effectiveness, accuracy and efficiency of the internal control systems and processes in the Company. The Company's Audit Team is independent, designed to add value and empowered to improve the Company's processes. It helps the Company accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

There are adequate internal financial controls in place with reference to the financial statements. During the year under review, the Internal Audit Department and the Statutory Auditors tested these controls and no significant weakness was identified either in the design or operations of the controls. A report issued by the Statutory Auditors, M/s. B S R & Co. LLP, on the Internal Financial Controls forms a part of the Annual Report.

POLICY MATTERS

A. NOMINATION AND REMUNERATION POLICY

The Nomination, Remuneration and Governance Committee of the Board of Directors is responsible for recommending the appointment of the directors and senior management to the Board of Directors of the Company. The Company has in place a Nomination and Remuneration Policy containing the criteria for determining qualifications, positive attributes and independence of a director and policy relating to the remuneration for the directors, key managerial personnel and senior management personnel of the Company. The Committee also postulates the methodology for effective evaluation of the performance of individual directors, committees of the Board and the Board as a whole which should be carried out by the Board, committee or by an independent external agency and review its implementation and compliance. The Nomination and Remuneration Policy is available on the Company's website at: https://www.sobha.com/wp-content/uploads/2022/03/amended-Nomination-and-Remuneration-Policy.pdf Extracts from the policy are reproduced in **Annexure B** to this report.

B. THE RISK MANAGEMENT FRAMEWORK

The Company has developed and implemented a risk management framework detailing the various internal and external risks faced by the Company and methods and procedures for identifying, monitoring and mitigating such risks. The Board of Directors of the Company has constituted a Risk Management Committee which is entrusted with the task of evaluating, monitoring and reviewing the risk management plan and procedures of the Company. The risk management function is supporting the internal control mechanism of the Company and supplements the internal and statutory audit functions.

There were no offences or fraud that needs to be reported by the Statutory Auditors as per Section 143 (12) of the Companies Act, 2013.

C. CORPORATE SOCIAL RESPONSIBILITY POLICY

The Company believes that its achievements do not refer only to its growth but are also spread to society. Accordingly, under the aegis of its CSR arm, Sri Kurumba Educational and Charitable Trust, it has adopted three village panchayats - Vadakkenchery, Kizhakkenchery and Kannambra in Palakkad district of Kerala, each consisting of two villages, to improve the lifestyle of the people at the grassroots level.

The Corporate Social Responsibility Policy, as formulated by the Corporate Social Responsibility Committee and approved by the Board of Directors is available on the Company's website at: https://www.sobha.com/wp-content/uploads/2021/07/CSR-Policy.pdf

In terms of Section 134 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the annual report on the Corporate Social Responsibility activities of the Company is given in **Annexure C** to this report.

D. VIGIL MECHANISM

The Company has established a vigil mechanism to promote ethical behaviour in all its business activities. It has in place a mechanism for employees and directors to report any genuine grievances, illegal and unethical behaviour, suspected fraud or violation of laws, rules and regulations or conduct to the Vigilance Officer and the Audit Committee of the Board of Directors. The policy also provides for adequate protection to whistle blower against victimization or discriminatory practices. The policy is available on the Company's website at: https://www.sobha.com/wp-content/uploads/2020/10/153630159420180907.pdf

During the year under review, the Company did not receive any complaints relating to unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct from any employee or Directors.

OTHER MATTERS

A. DEBENTURES

During the year, the Company has issued 500 secured, unlisted, rated Non-convertible Debentures of ₹10,00,000 (Rupees ten lakh only) each aggregating to ₹50,00,00,000 (Rupees fifty crore only) on a private placement basis.

B. DEPOSITS

The Company has not accepted any deposits in terms of Chapter V of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014, during the year under review. As such, no amount of principal or interest was outstanding as on date of this report.

C. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

In compliance with Section 124 of the Companies Act, 2013, the dividends pertaining to financial year 2013-14 which were lying unclaimed with the Company were transferred to the Investor Education and Protection Fund during financial year 2021-22. The details of unclaimed dividends transferred to the Investor Education and Protection Fund has been detailed in the Corporate Governance Report which forms a part of the Annual Report.

As required under Section 124 of the Companies Act, 2013 and the Rules made thereunder, 827 equity shares, in respect of which dividend had not been claimed by the shareholders for seven consecutive years or more, were transferred to the Investor Education and Protection Fund during the year under review. The details of the shares and shareholders are available on the Company's website.

D. SIGNIFICANT OR MATERIAL ORDERS PASSED BY REGULATORS / COURTS

During the year under review, there were no significant or material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

E. HUMAN RESOURCES

Employee relations continue to be cordial at all levels and in all divisions of the Company. The Board of Directors would like to express its sincere appreciation to all the employees for their continued hard work and steadfast dedication.

As on March 31, 2022, the Company had an organizational strength of 3,007 employees.

Details about the employees are provided in a separate section in the Annual Report.

F. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has adopted a policy on prevention and redressal of sexual harassment at the workplace. Pursuant to the provisions of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has in place an Internal Complaints Committee for prevention and redressal of complaints of sexual harassment of women at the workplace. No complaints were received by the Company during the year under review.

G. AWARDS AND RECOGNITIONS

During financial year 2021-22, the Company was conferred with various awards and recognitions, the details of which are given in a separate section in the Annual Report.

H. CORPORATE GOVERNANCE

In accordance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate report on corporate governance forms part of this report.

A certificate from Mr. Nagendra D Rao, Practicing Company Secretary affirming compliance with the various conditions of corporate governance in terms of the Listing Regulations is given in **Annexure D** to this report.

I. CODE OF CONDUCT

The Company has laid down a Code of Conduct for the Directors as well as for all senior management of the Company. As prescribed under Regulation 17 of the Listing Regulations, a declaration signed by the Managing Director affirming compliance with the Code of Conduct by the Directors and senior management personnel of the Company for financial year 2021-22 forms part of the Corporate Governance Report.

J. DISCLOSURE ON CONFIRMATION WITH SECRETARIAL STANDARDS

The Directors confirm that the Secretarial Standards issued by the Institute of Company Secretaries of India have been complied with pursuant to the Companies Act, 2013 and the Rules made thereunder.

K. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In accordance with the requirements of the Listing Regulations, the Management Discussion and Analysis Report titled 'Management Report' is presented in a separate section in the Annual Report.

L. ANNUAL RETURN

In accordance with the Companies Act, 2013, the annual returns in the prescribed format are available under the link https://www.sobha.com/wp-content/uploads/2022/07/2021-2022-Annual-Return-MGT-7.pdf

M. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

In terms of Section 134 of the Companies Act, 2013, the particulars of loans, guarantees and investments made by the Company under Section 186 of the

Companies Act, 2013 are detailed in Notes to Accounts of the Financial Statements.

N. RELATED PARTY TRANSACTIONS

During the year, the Company did not enter into any contract/arrangement/transaction with a related party which can be considered as material in terms of the policy on related party transactions laid down by the Board of Directors. Related party transactions, if any, pursuant to the Listing Regulations were approved by the Audit Committee from time to time prior to entering into the transactions. The related party transactions undertaken during financial year 2021-22 are detailed in the Notes to Accounts of the Financial Statements.

Further, during the year under review, there were no contracts or arrangements entered with related parties referred to the criteria mentioned in Sub-section (1) of Section 188 of the Companies Act, 2013. Therefore, there is no requirement to report any transaction in Form AOC-2.

O. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of Section 134 of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014, the details of energy conservation, technology absorption, foreign exchange earnings and outgoings are given as **Annexure E** to this report.

P. REMUNERATION DETAILS OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND EMPLOYEES

Details of remunerations of Directors, Key Managerial Personnel and the statement of employees in receipt of remuneration exceeding the limits prescribed under Section 134 of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in **Annexure F** to this report.

Q. FINANCIAL POSITION AND PERFORMANCE OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

In terms of Section 134 of the Act and Rule 8(1) of the Companies (Accounts) Rules, 2014, the financial position and performance of the subsidiaries is given as an annexure to the Consolidated Financial Statements.

R. BUSINESS RESPONSIBILITY REPORT

As required under Regulation 34 of the Listing Regulations, the Business Responsibility Report is given in **Annexure G** to this report.

S. ADDITIONAL INFORMATION TO SHAREHOLDERS

All important and pertinent investor information such as financial results, investor presentations, press releases, new launches and project updates are made available on the Company's website (www.sobha.com) on a regular basis.

ACKNOWLEDGEMENTS

The Directors would like to place on record their sincere appreciation of the Company's customers, vendors and bankers for their continued support to the Company during the year. The Directors also wish to acknowledge the contribution made by employees at all levels for steering the growth of the organization. We thank the Government of India, the state governments and other government agencies for their assistance and co-operation and look forward to their continued support in the future. Finally, the Board would like to express its gratitude to the members for their continued trust, co-operation and support.

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

	Sd/-	**Sd/-**
Place : Bangalore	**Ravi PNC Menon**	**Jagadish Nangineni**
Date : May 20, 2022	**Chairman**	**Managing Director**

ANNEXURE A

To,
The Members,
Sobha Limited,
SOBHA, Sarjapur-Marathahalli Outer Ring Road (ORR),
Devarabisanahalli, Bellandur Post,
Bengaluru –560 103.

My report of even date is to be read along with this letter.

MANAGEMENT'S RESPONSIBILITY

It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

AUDITOR'S RESPONSIBILITY

1. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
2. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.
3. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
Nagendra D. Rao
Practising Company Secretary
Membership No. FCS – 5553
Certificate of Practice – 7731
Peer Reviewed Unit
Peer Review Certificate No.: 672/2020
UDIN: F005553D000334200

"Vagdevi", 543/A, 7th Main,
3rd Cross, S.L.Bhyrappa Road,
Hanumanthnagar,
Bengaluru – 560 019.

Place : Bengaluru
Date : May 20, 2022

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Sobha Limited,
SOBHA, Sarjapur-Marathahalli Outer Ring Road (ORR),
Devarabisanahalli, Bellandur Post,
Bengaluru – 560 103.

I have conducted the secretarial audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **SOBHA LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in the manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of the secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31st March, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2022** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

    (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

    (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **[Not Applicable as the company has not raised any Share Capital by Issue of Shares during the financial year under review].**

    (d) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 applicable till August 12, 2021 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 applicable from August 13, 2021) **[Not Applicable to the Listed Entity during the financial year under review];**

    (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 applicable till August 08, 2021 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 applicable from August 09, 2021 **[Not Applicable as the Listed Entity has not raised any funds by issue of listed debentures during the financial year under review;**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with clients **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009 applicable till June 09, 2021 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2021 applicable from June 10, 2021 **[Not Applicable as the Company has not delisted/ propose to delist its equity shares from any stock exchange during the financial year under review]; and**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **[Not Applicable as the Company has not bought back/propose to buyback any of its securities during the financial year under review];**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(vi) The Laws as are applicable specifically to the Company are as under:

a. Real Estate (Regulation & Development) Act, 2016;

b. Transfer of Property Act, 1882;

c. Indian Easements Act, 1882;

d. Registration Act, 1908;

e. The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996;

f. Indian Stamp Act, 1899 and

g. Karnataka Stamp Act, 1957.

I have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective 1st July, 2015.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

(iii) The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

1. The Company has received a Show Cause Notice from the Securities and Exchange Board of India ("SEBI") under the Securities and Exchange Board of India Act, 1992 ("SEBI Act") read with SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995 for alleged violations of the SEBI (Prohibition of Fraudulent and Unfair Trade Practices) Regulations, 2003 read with the SEBI Act and alleged violation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations") for the financial years 2016-17, 2017-18 and 2018- 19.

The company has submitted the reply to the adjudicating officer and has filed a Joint Settlement application before the Settlement Division (Enforcement Department-2) of SEBI in accordance with SEBI (Settlement

Proceedings) Regulations, 2018, without admitting or denying the finding of fact and conclusions of law. The matter is pending and Final settlement order from SEBI is awaited.

2. The Company had entered into a joint development arrangement with certain Land Owners in Gurugram, Haryana, in earlier years. In respect of this transaction, the concerned authorities are examining if there were irregularities in respect of manner of allotment and pricing of certain plots under this project or payment of applicable fees and charges by the Company or the landowner, with respect to the terms and conditions mentioned in the development policy of Haryana Development and Regulation of Urban Areas Act (HDRUAA), 1975 and the bilateral agreement between the land owners and Directorate of Town and Country Planning, Haryana (DTCP). As part of the inquiry, the Company and its Officers have been asked to provide contracts, documents and justification in respect of this transaction by the concerned authorities. As per the information and explanation provided by the Company, the company has provided all the necessary details, documents etc. to the concerned authorities and the proceedings on this matter are in progress.

The Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Except to the extent of 2 (two) Board meeting held on September 18, 2021 and March 14, 2022 convened by shorter notice, adequate notice has been given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

As per the Minutes of the Board of Directors duly recorded and signed by the Chairman, the decisions were unanimous and no dissenting views were required to be recorded.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

I further report that during the audit period, the company has passed following Special Resolutions at the Annual General Meeting held on August 13, 2021 which are having major bearing on the Company's Affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards, etc.

1. Issue of Non-Convertible Debentures on private placement basis.
2. Re-appointment of Mr. Ravi PNC Menon (DIN: 02070036) as a Whole-time Director designated as Chairman of the Company.

Sd/-
Nagendra D. Rao
Practising Company Secretary
Membership No. FCS – 5553
Certificate of Practice – 7731
Peer Reviewed Unit
Peer Review Certificate No.: 672/2020
UDIN: F005553D000334200

"Vagdevi", 543/A, 7th Main,
3rd Cross, S.L.Bhyrappa Road,
Hanumanthnagar,
Bengaluru – 560 019.

Place : Bengaluru
Date : May 20, 2022.

ANNEXURE B

NOMINATION AND REMUNERATION POLICY

The Board of Directors of Sobha Limited have constituted the Nomination, Remuneration and Governance Committee in accordance with the provisions of the Companies Act, 2013 and Listing Agreement entered into with the Stock Exchanges.

I. TERMS OF REFERENCE OF THE COMMITTEE:

1. To identify, review, assess, recommend and lead the process for appointments of Executive, Non-Executive and Independent Directors to the Board and Committees thereof and to regularly review the structure, size and composition, balance of skills, knowledge and experience of the Board and Board Committees and make recommendations to the Board or, where appropriate, the relevant committee with regard to any adjustments that are deemed necessary.
2. To formulate criteria for evaluation of Independent Directors and the Board.
3. To evaluate the performance of the Chairman and other members of the Board on an annual basis and to monitor and evaluate the performance and effectiveness of the Board and Board Committees and the contribution of each Director to the Company. The Committee shall also seek the views of Executive Directors on the performance of Non-Executive Directors.
4. To devise a policy on Board diversity.
5. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
6. To make recommendations to the Board on the following matters:
    - Re-appointment of any Executive and Non-Executive Director at the conclusion of their specified term of office.
    - Re-election by members of any Director who are liable to retire by rotation as per the Company's Articles of Association.
    - Any matters relating to the continuation in office of any director at any time.
7. To formulate a policy relating to the remuneration of directors, key managerial personnel and other employees.
8. To define and articulate the Company's overall corporate governance structures and to develop and recommend to the Board of Directors the Board's Corporate Governance Guidelines.
9. To receive reports, investigate, discuss and make recommendations in respect of breaches or suspected breaches of the Company's Code of Conduct.
10. To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements and to develop, review and monitor the code of conduct applicable to employees and Directors.
11. To perform such functions as may be detailed in the Listing Regulations, Companies Act, 2013 and the relevant Rules made there under.

II. DEFINITIONS:

1. Key Managerial Personnel:

Key Managerial Personnel has the same meaning as ascribed to it under the Companies Act, 2013 as may be amended from time to time.

2. Senior Management:

Senior Management has the same meaning as ascribed to it under the Code of Conduct of the Company as may be amended from time to time.

III. POLICY ON APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

A. ELIGIBILITY OR CRITERIA FOR APPOINTMENT:

Educational Qualification: No person shall be eligible for appointment as a Director, Key Managerial Personnel and/or Senior Management Personnel unless he/she possesses at least a bachelors' degree in a recognized and relevant field. Educational qualification over and above the bachelors' degree, though not mandatory, shall be preferable. However, the requirement of minimum educational qualification can be waived if the candidate showcases exceptional knowledge, talent, creativity and/or aptitude for the position.

Experience: A person shall be eligible for appointment as a Director, Key Managerial Personnel and/or Senior Management Personnel if he/she possess adequate experience in the respective field(s). Between two candidates possessing same/similar educational qualification, the person with more experience will ordinarily be preferred. Experience in diverse fields will be given due weightage.

Integrity: The person considered for appointment shall be a person of integrity and good standing. No person convicted of any offence involving moral turpitude shall be considered for appointment to post of a Director, Key Managerial Personnel and/or Senior Management.

Age: A person shall not be considered for appointment to the post of a Whole-time Director of the Company if he/she has attained the age of seventy years.

Independence: No person shall be appointed as an Independent Director of the Company unless he/she meets the criteria of independence as specified in the Companies Act, 2013 and Listing Agreement.

Limits on Directorship: No person shall be appointed as a Whole-time Director/ Independent Director of the Company unless such directorship is within the limits prescribed by law in this behalf.

Limits on Committee Membership: The number of Chairmanship or membership of committees held by a person shall be within the limits prescribed by law in this behalf in order to be considered for appointment as a Whole-time Director/Independent Director of the Company.

B. TERM OF OFFICE:

Whole-time Director:

i. The Whole-time Director(s) of the Company shall be appointed for a term not exceeding five years at a time.

ii. The Whole-time Director(s) shall be eligible for re-appointment for further terms not exceeding five years at a time subject to the approval of members of the Company.

iii. No such re-appointment shall be made earlier than one year before the expiry of the current term.

Independent Director(s):

i. An Independent Director shall hold office for a term up to five consecutive years on the Board of Directors of the Company.

ii. An Independent Director shall be eligible for re-appointment for another term up to five consecutive years on passing of a special resolution in this regard by the members of the Company.

iii No Independent Director shall hold office for more than two consecutive terms. An Independent Director shall be eligible for re-appointment after the expiry of three years of ceasing to be an Independent Director where he/she has served for two consecutive terms.

Key Managerial Personnel and Senior Management:

The term of office of Key Managerial Personnel and Senior Management of the Company shall be in accordance with the prevailing Human Resource policy of the Company.

C. REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT OF THE COMPANY:

The Committee shall recommend to the Board of Directors, the removal from office of any Director, Key Managerial Personnel and/or Senior Management Personnel of the Company:

i. Whenever a Director, Key Managerial Personnel and/or Senior Management Personnel of the Company incurs any disqualification specified under any applicable law which renders their position untenable.

ii. Whenever a Director, Key Managerial Personnel and/or Senior Management Personnel of the Company is found guilty of violating the Code of Conduct, the Code of Conduct for Prevention of Insider Trading of the Company and/ or such other policy as may be decided by the Committee.

iii. Whenever a Director, Key Managerial Personnel and / or Senior Management of the Company acts in a manner which is manifestly against the interests of the Company. In case of any proceedings under this sub-clause, the concerned Director, Key Managerial Personnel and/or Senior Management of the Company shall be given an opportunity of being heard by the Committee.

IV. PERFORMANCE EVALUATION:

i. The performance evaluation of each director will be carried out by the Committee in the first instance. It shall place its recommendations before the Board of Directors.

ii. The performance evaluation of Independent Directors shall be done by the entire Board of Directors (excluding the director being evaluated). It shall take into consideration the views of the Committee.

iii. The Independent Directors shall review the performance of non-independent directors and the Board as a whole. The Independent Directors shall take into consideration the views of the Committee.

iv. The Independent Directors shall review the performance of the Chairperson of the company, taking into account the views of the Committee, the Executive Directors and Non-Executive Directors.

The Independent Directors of the Company are experts in their respective fields. They bring with them specialized skills, vast repertoire of knowledge and a wide diversity of experience and perspectives. In view of their significant expertise, the Independent Directors may recommend the mechanism for evaluating the performance of the Board as a whole as well as individual directors.

In lieu of such recommendation, the criteria for Performance Evaluation laid down below may be considered. However, the below mentioned criteria is only suggestive and the Board / Directors may consider such other criteria as they may deem necessary for effective evaluation of performance.

BOARD OF DIRECTORS:

i. Establishment of distinct performance objectives and comparison of performance against such objectives.

ii. Contribution of the Board to the development of strategy.

iii. Contribution of the Board in developing and ensuring robust and effective risk management system.

iv. Response of the Board to problems or crises that have emerged.

v. Suitability of matters being reserved for the Board under the Listing Agreement.

vi. Relationship between the board and its main committees and between the committees themselves.

vii. Communication of the Board with the management team, key managerial personnel and other employees.

viii. Knowledge of latest developments in the regulatory environment and the market.

ix. Appropriateness, quality and timeliness of flow of information to the Board.

x. Adequacy and quality of feedback by the Board to management on its requirements.

xi. Adequacy of frequency and length of board and committee meetings.

xii. Appropriate mix of knowledge and skills in the composition of the Board and its committees.

COMMITTEES OF THE BOARD OF DIRECTORS:

i. Suitability of matters being reserved for the Committee(s).

ii. Communication of the Committee(s) with the management team, key managerial personnel and other employees.

iii. Appropriateness, quality and timeliness of flow of information to the Committee(s).

iv. Adequacy and quality of feedback by the Committee(s) to management on its requirements.

v. Adequacy of frequency and length of the committee meetings.

vi. Appropriate mix of knowledge and skills in the composition of the committees.

INDEPENDENT DIRECTORS:

i. Level of preparedness for the meetings of the Board and Committees.

ii. Willingness to devote time and effort to understand the Company and its business.

iii. Quality and value of their contributions at Board and Committees meetings.

iv. Contribution of their knowledge and experience to the development of strategy of the Company.

v. Effectiveness and pro-activeness in recording and following up their areas of concern.

vi. Relationship with fellow board members, key managerial personnel and senior management.

vii. Knowledge and understanding of current industry and market conditions.

viii. Attendance at the meetings of the Board and Committees of which the Independent Director is a member.

WHOLE-TIME DIRECTOR(S):

i. Contribution of the Whole-time Director in achieving the Business Plan of the Company.

ii. Contribution of Whole-time Director in the development of new business ideas or verticals.

iii. Contribution of Whole-time Director towards the top-line and/or bottom line of the Company where such contribution is capable of measurement.

iv. Contribution of Whole-time Director in implementing the strategy set by the Board of Directors of the Company.

v. Knowledge and understanding of current industry and market conditions.

vi. Contribution of Whole-time Director in identifying, understanding and mitigating the risks faced by the Company.

vii. Contribution of Whole-time Director in identifying and exploiting new business opportunities for the Company.

viii. Level of preparedness for the meetings of the Board and Committees.

ix. Attendance at the meetings of the Board and Committees of which such Whole-time Director is a member.

V. POLICY RELATING TO THE REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT:

A. Remuneration Criteria: The guiding principle while determining the level and composition of remuneration is the competitiveness required to attract, retain and motivate competent personnel. While deciding the remuneration of Directors, Key Managerial Personnel and Senior Management, the following factors shall be taken into consideration:

a. availability of talented, skilled and experienced professionals.

b. industry standards.

c. profitability of the Company and growth prospects.

B. Payment of Remuneration:

i. The Committee shall recommend the payment of remuneration (including any revision thereof) to the Directors of the Company including the Independent Directors which shall be subject to the approval of the Board of Directors. It shall also be approved by the shareholders of the Company, wherever required.

ii. The remuneration of Key Managerial Personnel and Senior Management Personnel shall be determined by the Company in accordance with the prevailing HR Policy of the Company.

C. Remuneration of Whole-time Directors, Key Managerial Personnel and Senior Management:

Basic Salary:

Each Whole-time Director, Key Managerial Personnel and Senior Management personnel shall be paid a monthly remuneration. The monthly remuneration of Whole-time Director as recommended by the Committee shall be approved by the Board of Directors and also by the shareholders of the Company if required.

Accommodation or House Rent Allowance:

Each Whole-time Director shall be provided with rent-free furnished accommodation or up to a specified % of the basic salary as House Rent Allowance in lieu of accommodation. Key Managerial Personnel and Senior Management personnel shall be provided with a specified % of the basic salary as House Rent Allowance.

Performance Incentives:

Each Whole-time Director shall be eligible for performance incentives which shall not exceed a specified % of profits of the Company.

Key Managerial Personnel and Senior Management personnel shall be eligible for performance incentives as per the prevailing Human Resource policy of the Company in this regard. The incentive is linked to the performance of the Company in general and their individual performance is measured against specific Key Result Areas, which are aligned with the Company's objectives.

Perquisites and Other Allowances:

Each Whole-time Director, Key Managerial Personnel and Senior Management personnel shall be entitled to such perquisites, allowances, benefits, facilities and amenities as per the Human Resource policy of the Company in force or as may be approved by the Board from time to time.

D. Remuneration of Independent Directors:

Commission: Each Independent Director shall be paid remuneration by way of Commission as recommended by the Committee which shall be approved by the Board of Directors. Such Commission shall be within the overall limits approved by the shareholders of the Company.

Sitting Fees: The Independent Director may receive remuneration by way of fees for attending the meetings of Board or Committee thereof as may be decided by the Board of Directors from time to time.

E. Limits on Remuneration:

i. The overall remuneration paid by the Company to the Directors including Independent Directors shall not exceed 11% of the net profits of the Company for that financial year.

ii. The remuneration paid by the Company to all its whole-time directors shall not exceed 10% of the net profits of the Company for that financial year.

iii. The remuneration paid by the Company to its Independent Directors (excluding sitting fess) shall not exceed 1% of the net profits of the Company for that financial year.

iv. If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Directors, Manging Directors, any Non-Executive Director including Independent Director in accordance with the provisions of Schedule V of the Companies Act, 2013. If the remuneration payable exceeds the limits laid down in Schedule V, then Company shall obtain the prior approval of the Shareholders by passing Special Resolution.

v. Revision of existing remuneration may be recommended by the Committee to the Board which should be within the limits approved by the shareholders.

ANNEXURE C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. BRIEF OUTLINE OF CSR POLICY

The Board of Directors, upon recommendation of the Corporate Social Responsibility Committee, have identified the following areas listed in Schedule VII of the Companies Act, 2013 for carrying out its CSR activities:

i. Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;

ii. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects;

iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

iv. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga;

v. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional art and handicrafts;

vi. Measures for the benefit of armed forces veterans, war widows and their dependents, [Central Armed Police Forces (CAPF) and Central Para Military Forces (CPMF) veterans, and their dependents including widows];

vii. Training to promote rural sports, nationally recognised sports, paralympic sports and olympic sports;

viii. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

ix. Contribution to incubator or research and development projects in the field of science, technology, engineering and medicine, funded by the Central Government or State Government or Public Sector Undertaking or any agency of the Central Government or State Government;

x. Contributions to public funded Universities; Indian Institute of Technology (IITs); National Laboratories and autonomous bodies established under Department of Atomic Energy (DAE); Department of Biotechnology (DBT); Department of Science and Technology (DST); Department of Pharmaceuticals; Ministry of Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homoeopathy (AYUSH); Ministry of Electronics and Information Technology and other bodies, namely Defence Research and Development Organisation (DRDO); Indian Council of Agricultural Research (ICAR); Indian Council of Medical Research (ICMR) and Council of Scientific and Industrial Research (CSIR), engaged in conducting research in science, technology, engineering and medicine aimed at promoting Sustainable Development Goals (SDGs).

xi. Rural development projects.

xii. Slum area development.

xiii. Disaster management, including relief, rehabilitation and reconstruction activities.

xiv. Such other areas as may be included in Schedule VII of the Companies Act, 2013 from time to time.

The projects/programmes may be undertaken by an Implementation Agency or the Company directly, provided that, such projects/programmes are in line with the activities enumerated in Schedule VII of the Companies Act, 2013.

2. COMPOSITION OF CSR COMMITTEE FOR THE YEAR ENDED MARCH 31, 2022.

The Corporate Social Responsibility (CSR) Committee comprises of the following members:

Name		Category	Corporate Social Responsibility Committee meetings			
			June 22, 2021	August 14, 2021	November 08, 2021	February 11, 2022
Mr. Anup S Shah*	Chairman	Non-Executive Independent Director	-	-	✗	✓
Mr. Jagdish Chandra Sharma	Member	Vice Chairman & Managing Director	✗	✓	✓	✓
Ms. Srivathsala K N**	Member	Non-Executive - Independent Director	✓	✓	✓	✓
Mr. Sumeet Puri***	Chairman	Non-Executive - Independent Director	✓	✓	-	-

* Mr. Anup S Shah was appointed as Member and Chairman of the CSR Committee w.e.f. October 29, 2021.

** Ms. Srivathsala K N was appointed as Member of CSR Committee w.e.f. June 12, 2021.

*** Mr. Sumeet Puri Chairman of the Committee ceased as Member and Chairman of the Committee w.e.f. October 07, 2021.

Due to change in Directorate of the Company, the Corporate Social Responsibility (CSR) Committee was re-constituted effective April 01, 2022 with the following members:

1. Mr. Anup S Shah – Independent Director -Chairman
2. Mr. Jagadish Nangineni – Managing Director- Member
3. Ms. Srivathsala K N -Independent Director -Member

3. The detailed Corporate Social Responsibility Policy is available on the website of the Company at https://www.sobha.com/wp-content/uploads/2020/10/158036284320200130.pdf

4. Impact assessment of CSR project: In progress

5. Amount available for set-off from preceding financial years (in ₹)/Amount required to be set-off for the financial year, if any.

S. No	Financial Year	Amount Available for set-off From Preceding Financial Year (in ₹)	Amount required to be set-off for Financial Year (in ₹)
1.	2021-22	-	-

6. Average Net Profits:

The average profits, i.e. profits before tax of the Company during the three immediately preceding financial years was **₹3,158.83 million.**

7. (a) Two percent of average net profit of the Company as per section 135(5): **₹63.18 million.**

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial year: **Nil.**

(c) Amount required to be set off for the financial year, if Any: **Nil.**

(d) Total CSR obligation for the financial year (7a+7b- 7c): **₹63.18 million.**

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
120.50 million	-	-	-	-	-

b) Details of CSR amount spent against ongoing projects for the financial year:

Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the project State/District	Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency Name/ CSR Registration number
Rural Development	i. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation. ii. Promoting education, and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	Yes	1. Local 2. Kerala-Vadakkenchery, Kannambra and Kizhakkenchery Panchayats in the district of Palakkad, Kerala	Ongoing	116.15 million	116.15 million	-	No	Sri Kurumba Educational and Charitable Trust CSR00003295

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in ₹)	Mode of implementation - Direct (Yes/No)	Mode of implementation - Through implementing agency	
				State	District			Name	CSR registration number
-	-	-	-	-		-	-	-	-

(d) Amount spent in Administrative Overheads: **₹4.35 million.**

(e) Amount spent on Impact Assessment, if applicable: **Nil.**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **₹ 120.50 million.**

g) Excess amount for set-off, if any:

No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the Company as per section 135(5)	-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial year, if any	-
(v)	Amount available for set-off in succeeding financial year, [(iii)-(iv)]	-

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial year (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1.	2018-19	-	-	-	-	-	-
2.	2019-20	-	-	-	-	-	-
3.	2020-21	-	-	-	-	-	-
	Total	**-**	**-**	**-**	**-**	**-**	**-**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the project - Completed/ Ongoing
-	-	-	-	-	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

Date of creation	Amount of CSR spent (in ₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered	complete address and location of the property)	Pincode of the property or asset(s)	Short particulars of the property of asset(s) (including complete address and location of the property)
27/08/2021	4,500	Eeezee System	Sobha Community Centre, Moolamcode, Vadakkencherry, Palakkad, Kerala.	678684	HP Deskjet Printer
10/11/2021	41,500	BI Marketing & Services Pvt. Ltd	Sobha Community Centre, Moolamcode, Vadakkencherry, Palakkad, Kerala.	678684	Pumpset
03/04/2021	35,900	Venus Digital Arcade	Sobha Hermitage, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	Air Conditioner (Lloyd)
07/05/2021	12,240	Corporate Business Solution	Sobha Hermitage, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	Canon Inkjet Printer
25/10/2021	6,328	Sri Lakshmi	Sobha Hermitage, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	CCTV

Date of creation	Amount of CSR spent (in ₹)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered	complete address and location of the property)	Pincode of the property or asset(s)	Short particulars of the property of asset(s) (including complete address and location of the property)
10/09/2021	1,865	Chan's Electrical	Sobha Hermitage, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	Iron Box
10/09/2021	700	Chan's Electrical	Sobha Hermitage, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	Iron Box
18/08/2021	2,820	VVR Stationery	Sobha Hermitage, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	Plastic Charis 6nos
23/07/2021	29,000	CKP Traders Agromart	Sobha Hermitage, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	Grass cutting machine
20/11/2021	29,120	Vinker Hydro System	Sobha Hermitage, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	Pumpset (for STP)
23/04/2021	7,500	Cash	Sobha Hermitage, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	Mobile
10/09/2021	8,300	Hotmate Electrical sales & service	Sobha Hermitage, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	Water heater
06/11/2022	9,800	Hotmate Electrical sales & service	Sobha Hermitage, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	Water heater
03/03/2022	17,790	Eureka Forbs Ltd	Sobha Healthcare, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	Water purifier aquaguard
08/04/2021	40,460	Kairali Surgicals	Sobha Healthcare, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	Automated Clinical Chemical Analyser machine stand.
08/04/2021	9,240	Global Traders	Sobha Healthcare, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	Pocket Otoscope LED (ear)
30/04/2021	588,820	Transasia Bio Medicals Ltd.	Sobha Healthcare, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	Automated Clinical Chemical Analyser
13/09/2021	18,900	Sysmantech	Sobha Icon, Moolamcode, Vadakkencherry, Palakkad, Kerala.	678684	27" HP Monitor
19/03/2022	1,550	Cash	Sobha Academy, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	Computer table
23/04/2021	23,555	Next Education India	Sobha Academy, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	Projector
24/09/2021	23,555	Next Education India	Sobha Academy, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	Projector
31/01/2022	55,634	Next Education India	Sobha Academy, Panniyankara, Vadakkencherry, Palakkad, Kerala.	678683	Projector

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5): **NA**

For Sobha Limited

Sd/-
Mr. Anup S Shah
Chairman of CSR Committee

Sd/-
Mr. Jagadish Nangineni
Member, CSR Committee

Place : Bangalore
Date : May 20, 2022

ANNEXURE D

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members,
Sobha Limited,
"Sobha",
Sarjapur-Marathahalli Outer Ring Road,
Devarabisanahalli,
Bellandur Post,
Bengaluru – 560 103.

I have examined the compliance of the conditions of Corporate Governance by **Sobha Limited** ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub- regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. My examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India from time to time, warranted due to the spread of the COVID-19 pandemic, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
Nagendra D. Rao
Practising Company Secretary
Membership No. FCS – 5553
Certificate of Practice – 7731
Peer Reviewed Unit
Peer Review Certificate No.: 672/2020
UDIN: F005553D000334178

Place : Bengaluru
Date : May 20, 2022.

ANNEXURE E

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

(Pursuant to section 134 of the Act and Rule 8(3) of the Companies (Accounts) Rules, 2014)

A. CONSERVATION OF ENERGY

I. STEPS TAKEN OR IMPACT ON CONSERVATION OF ENERGY

The Company has adopted the following energy conservation measures:

a. Use of energy efficient lamps, control gears, ballast VFDs highly efficient motors and PV cells.

b. Use of LED Light fixtures in the common areas of residential projects.

c. Use of external street light fixtures with timers.

d. Use of lighting software in the design stage of our projects.

e. Use of motion sensors and occupancy sensors with electronic drivers.

f. Use of best quality wires, cables, switches and low self-power loss breakers wherever essential.

g. Following standard specifications like colour codes, independent neutral and earthing for each circuit to curb energy leakage.

h. Use of low- loss electronic ballast.

i. Selection of high efficiency transformers, DG sets and other equipment.

j. Introduction of auto-correction power factor capacitor panels for common area loads.

k. The use of separate energy meters for major common area loads so that power consumption can be monitored and efforts can be made to minimize the same.

l. Use of energy efficient lifts with group control in residential projects.

II. STEPS TAKEN BY THE COMPANY FOR UTILIZING ALTERNATIVE SOURCES OF ENERGY

a. Provision of back-up solar power for common area lighting in residential projects.

b. At Sobha corporate office, 90% of power wheeled from solar power plant.

c. Sobha Glazing factory provided with 225 KW and Sobha Interior factory provided with 750 KW roof top solar power plant in view of utilizing alternate source of energy.

d. More than 2.36 million units of solar power utilized across the Sobha facilities resulted in 2,000 tons of carbon footprint saving.

e. Use of heat pumps and solar water heaters instead of geysers to reduce power consumption.

III. CAPITAL INVESTMENT ON ENERGY CONSERVATION EQUIPMENT

The Company continues to make project level investments for reduction in consumption of energy. Capital investment on energy conservation equipment cannot be quantified.

B. TECHNOLOGY ABSORPTION

I. EFFORTS MADE TOWARDS TECHNOLOGY ABSORPTION

The Company uses German tools, waterproofing techniques and follows European standards in all its construction activities. Sobha uses both indigenous and imported technologies for implementation at all its projects. The Company has taken the following initiatives in the area of technology:

1. Introduction of laser plummets for accurate marking.
2. Introduction of “Scaff board” for safety of workforce who work at heights.
3. Software for BBS to generate fast and accurate bar bending schedules.
4. “Grab & Trolley” for block shifting.
5. “Debris Crusher” for crushing & recycling the debris generated at the site.
6. Instead of cast – in-situ coping for the terrace parapet and compound

walls, precast methodology has been introduced and implemented.

7. Adoption of power feeders for spindle machine instead of manual feeding.

The Company derives benefits in the form of cost reduction, fewer customer complaints, and better quality of the end products. The above initiations and implementations have been made after continuous market research - trial and testing for quality, durability and compatibility in consideration of cost and time for developing new systems and better technologies at par with international standards.

II. IMPORTED TECHNOLOGY

No technology was imported by the Company during the last three financial years.

III. EXPENDITURE INCURRED ON RESEARCH AND DEVELOPMENT

The Company had carried out R&D in the following areas:

1. 'Ready Mixed Concrete Batching Plant Audit' for Vendor Evaluation.
2. Materials testing & validation of the construction materials used on site to check their quality, durability, and compatibility.
3. Pile Integrity Test for qualitative evaluation of the physical dimensions (cross sectional variation), soundness or defects of the piles concrete with respect to its continuity.
4. Introduction of 'Lightweight Deflectometer' for measuring the deflection modulus of sub grade/sub soils and unbound base layers.
5. Introduction of 'Block Testing Plates' for testing blocks at sites.
6. Introduction of 'Lift Well' gate for fall protection into the lift pits or shafts.
7. Introduction of 'Laser Plummet' for maintaining verticality of columns and buildings.
8. Raised floor system in terraces to prevent direct heat transmission from the roof slab and to protect water resistance treatment of roofs for longer duration.
9. Introduction of tile round cutting using mini drilling machine and tile holesaw cutter to get a perfect round finish.
10. Wooden/Bamboo textured glass reinforced concrete cladding panels which is lightweight when compared to conventional concrete.
11. Physical measurement technique tools software to measure and analyze elevator ride quality, vibration & sound.
12. Epoxy flooring applied to concrete for protection, aesthetic enhancement, strong adhesion, long lasting, rustproof, waterproof, heat resistant, salt and acid resistance.

Benefits derived as a result of the above R&D

The benefits derived from the above ensure that the final product delivered by the Company conforms to international standards.

Future plan of action

The success of R&D initiatives in the construction industry primarily depends on the selection of the right method of construction, type of machines and kind of materials. It also depends on integrating the planning and training process within the Company and it has to be understood as an ongoing process.

Expenditure on R&D

The R & D activity of the Company forms part of project implementation and cannot be quantified.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Total expenditure in foreign exchange: ₹41.24 million.

Total income in foreign exchange: ₹11.18 million.

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

	Sd/-	**Sd/-**
Place : Bangalore	**Ravi PNC Menon**	**Jagadish Nangineni**
Date : May 20, 2022	**Chairman**	**Managing Director**

ANNEXURE F

REMUNERATION DETAILS OF DIRECTORS AND EMPLOYEES

(Pursuant to section 134 of the Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

i. Ratio of remuneration of each director to the median remuneration of the employees and percentage increase in remuneration:

Sl. No.	Name of Director/KMP	Designation	Ratio of Remuneration to Median Remuneration	% Increase in Remuneration Y-O-Y	Comparison of KMP remuneration against the Company's performance
1	Mr. Ravi PNC Menon	Chairman	224.60	77.70	The revenues increased by 28.20%, the Profit before Tax and Profit after Tax have increased by 104.46% and 72.19% respectively on a standalone basis. On a consolidated basis, the revenues were increased by 28.82%, the Profit before Tax by 110.42% and Profit after Tax by 87.69% as compared to the previous financial year 2020-21.
2	Mr. J C Sharma*	Vice Chairman & Managing Director	83.60	85.60	
3	Mr. T P Seetharam*	Whole Time Director	16.00	-8.40	
4	Mr. R V S Rao	Independent Director	4.60	6.00	Not applicable.
5	Mr. Sumeet Jagdish Puri $	Independent Director	2.40	-47.10	
6	Mr. Anup S Shah	Independent Director	4.60	7.90	
7	Ms. Srivathsala KN	Independent Director	4.50	5.00	
8	Mr. Subhash Mohan Bhat	Chief Financial Officer**	18.90	-23.49	The revenues increased by 28.20%, the Profit before Tax and Profit after Tax have increased by 104.46% and 72.19% respectively on a standalone basis. On a consolidated basis, the revenues were increased by 28.82%, the Profit before Tax by 110.42% and Profit after Tax by 87.69% as compared to the previous financial year 2020-21.
9	Mr. Yogesh Bansal	Chief Financial Officer**	5.00	0.00	
10	Mr. Vighneshwar G Bhat	Company Secretary & Compliance Officer	11.20	35.88	

* Mr. J C Sharma resigned from the position of Vice Chairman and Managing Director effective close of 31st March, 2022 and ceased to be Vice Chairman and Managing Director with effect from 1st April, 2022. Mr. T P Seetharam retired from the position of Whole-time Director on 31st March, 2022 and ceased to be Whole-time Director with effect from 1st April, 2022.

$ Mr. Sumeet Jagdish Puri ceased to be a Director of the Company effective October 7, 2021.

** Mr. Subhash Mohan Bhat has resigned from the position of Chief Financial Officer effective November 14, 2021 and Mr. Yogesh Bansal has been appointed as Chief Financial Officer effective November 15, 2021.

ii. The median remuneration of employees during the financial year was ₹418,728 (Rupees Four Lakhs Eighteen Thousand Seven Hundred Twenty Eight only).

iii. The percentage increase in the median remuneration of employees in the financial year 2021-22 was 4.88%.

iv. The number of permanent employees on the rolls of Company as on March 31, 2022 was 3,007.

v. The average increase in median remuneration during the financial year 2021-22 was 4.88%. During the same period, the revenues has increased by 28.20%, the Profit before Tax and Profit after Tax have increased by 104.46% and 72.19% respectively on a standalone basis. On a consolidated basis, the revenues were higher by 28.82%, the Profit before Tax by 110.42% and Profit after Tax by 87.69% as compared to the previous financial year 2020-21.

vi. Average percentile increase in the salaries of employees other than the managerial personnel during 2021-22 was 9.69%. The percentile increase in the managerial remuneration during the same period was 4.88%. The percentile increase in the managerial remuneration was on account of the fixed and variable component of remuneration payable to the managerial personnel as per the terms and conditions of their appointment.

vii. The key parameters for any variable component of remuneration availed by the directors: The Whole-time Directors are entitled to receive a fixed salary comprising of basic salary, allowances and perquisites. They are also eligible for performance incentives up to a specified percentage or amount as the case may be. The break-up of the remuneration is provided in the Corporate Governance Report forming part of the Annual Report.

viii. There was no employee whose remuneration was in excess of the remuneration of the highest paid director during the financial year.

ix. The remuneration is as per the Nomination and Remuneration Policy formulated by the Nomination, Remuneration and Governance Committee and approved by the Board of Directors of the Company.

Statement pursuant to Section 134 of the Companies Act, 2013 and Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

Sl. No.	Name	Age	Designation	Nature of Employment (Contractual or otherwise)	Gross Remuneration ₹	Qualification	Experience (Years)	Date of commencement of Employment	Previous Employment held
(A) Employed throughout the financial year									
1	Mr. Ravi PNC Menon	41	Chairman	Permanent Employee	80,377,753	B.S.C.E	18	08.06.2004	Not Applicable
2	Mr. J.C.Sharma	64	Vice Chairman and Managing Director	Permanent Employee	35,041,891	B.Com (Hons), ACA, ACS	40	01.06.2001	Grasim Industries Limited
3	Mr. Sumeet Suresh Chunkhare	41	Executive Vice President	Permanent Employee	14,650,976	B.Com, PGDM	16	26.11.2019	Atlas Machinery
4	Mr. Jagadish Nangineni	43	Regional Head	Permanent Employee	10,779,446	B Tech Civil, PGDM	20	12.11.2009.	Highstreet Capital
5	Mr. Gaurav Bhatia	49	Senior Vice President	Permanent Employee	22,792,307	B.Sc, MMM	25	05.01.2017	Square Yards
6	Mr. Sanjith P	39	Vice President	Permanent Employee	11,440,359	B.Sc, MBA	17	22.08.2005	-
7	Mr. Ajith Lal PG	55	Executive Vice President	Permanent Employee	12,293,745	B Tech Civil	28	19.06.2004	Gulf Erection Company, UAE
8	Ms. Tina Talwar	46	Regional Head	Permanent Employee	10,540,877	BA	25	08.02.2010	Hotel Leela Ventures

(B) Employed for part of the financial year:									
Sl. No.	**Name**	**Age**	**Designation**	**Nature of Employment (Contractual or otherwise)**	**Gross Remuneration ₹**	**Qualification**	**Experience (Years)**	**Date of commencement of Employment**	**Previous Employment held**
1	Mr. Subhash Mohan Bhat	51	Chief Financial Officer	Permanent Employee	7,916,247	B. Com., ACA, ACS, ICWA	29	16.02.2015	Schneider Electric IT Business India Private Limited
(C) Employed for whole or part of the financial year: **None**									

Notes:

1. Gross Remuneration comprises salary, allowances, Company's contribution to provident fund and taxable value of perquisites.
2. An employee would be qualified to be included in Category (A, (B) or (C) on the following basis:

   For (A) if the aggregate remuneration drawn by him during the year was not less than ₹10,200,000 per annum.

   For (B) if the aggregate remuneration drawn by him during the part of the year was not less than ₹850,000 per month.

   For (C), if the aggregate remuneration drawn by him/her during the year or part of the year was in excess of the remuneration drawn by the Managing Director or Whole-time Director and holds by himself/herself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company.
3. None of the employees mentioned above are relatives of any Director of the Company.
4. All the employees referred above are/were in full-time employment of the Company and there is no other employee who is in receipt of remuneration in terms of the provisions of Section 134 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

Sd/-
Ravi PNC Menon
Chairman

Sd/-
Jagadish Nangineni
Managing Director

Place : Bangalore
Date : May 20, 2022

ANNEXURE G

BUSINESS RESPONSIBILITY REPORT

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number	:	L45201KA1995PLC018475
2.	Name of the Company	:	Sobha Limited
3.	Registered office Address	:	SOBHA, Sarjapur – Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bangalore – 560 103.
4.	Website	:	www.sobha.com
5.	Email ID	:	investors@sobha.com
6.	Financial Year Reported	:	2021-22
7.	Sector that the Company is engaged in	:	The Company is engaged in the business of construction and real estate development, development and management of commercial premises and related activities.

8. List key products/services that the Company manufactures/ provides:
   i. Construction of Residential and Commercial projects.
   ii. Execution of Contractual projects (custom–designed turnkey projects).
   ii. Manufacturing activities related to interiors, glazing and metal works and concrete products.
9. Total number of locations where business activity is undertaken by the Company:

i.	Number of international locations	:	Nil
ii.	Number of national locations	:	The Company is headquartered in Bangalore having its business in NCR, Chennai, Thrissur, Pune, Coimbatore, Cochin, Calicut, Mysore and Gift City, Gujarat.

10.	Markets served by the Company	:	The Company is in the business of Construction of Residential and Commercial projects, execution of Contractual projects in the territory of India and Manufacturing activities related to interiors, glazing and metal works and concrete products.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid Up Capital	:	₹948,458,530
2.	Total Turnover	:	₹28,089.59 million (On standalone basis)
3.	Total profit after taxes	:	₹1,128.52 million (On standalone basis)
4.	Total Spending on Corporate Social Responsibility (CSR)	:	₹120.50 million (on a standalone basis)

5. List of activities in which expenditure in 4 above has been incurred:
   - Providing education and vocational training
   - Providing healthcare facilities
   - Looking after the aged and the impoverished
   - Social Empowerment measures

SECTION C: OTHER DETAILS

Sl. No.	Particulars	Remark
1.	Does the Company have any subsidiary company/companies?	Yes, the Company has 6 direct subsidiaries and 5 step down subsidiaries. The Company also has economic interest in a partnership firm.
2.	Do the subsidiary company/companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiary company(ies).	Yes, the subsidiaries earning profits and meeting the criteria of section 135 of the Companies Act, 2013 are supporting the BR initiatives of the Company.
3	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]	No other entities that the Company does business with, participate in BR initiatives of the Company.

SECTION D: BUSINEE RESPONSIBILITY (BR) INFORMATION

1. Details of Director/Directors responsible for BR

a) Details of the Director/Directors responsible for the implementation of BR policy/policies:

No Director has been specifically nominated for being responsible for the BR policy/procedure.

The Corporate Social Responsibility (CSR) Committee of the Board comprising of:

1. Mr. Anup S Shah, Independent Director, Chairman of the Committee
2. Mr. J C Sharma*, Vice Chairman and Managing Director
3. Mr. Jagadish Nangineni**, Managing Director
4. Ms. Srivathsala K N, Independent Director, Members of the Committee,

drive the social responsibility initiatives.

* Mr. J C Sharma ceased to be Vice Chairman and Managing Director of the Company and Member of the Committee w.e.f. 1st April, 2022.

** Mr. Jagadish Nangineni was appointed as Managing Director and Member of the Committee w.e.f. 1st April, 2022.

b) (i) Details of the BR heads as on 31/03/2022:

S. No.	Particulars	Details	
1.	DIN	01191608	08391622
2.	Name	Mr. J C Sharma	Mr. T P Seetharam
3.	Designation	Vice Chairman and Managing Director	Whole-time Director
4.	Telephone Number	080 – 4932 0000	080 – 4932 0000
5.	E-mail ID	mdsoffice@sobha.com	seetharam.tp@sobha.com

(ii) Details of the BR head w.e.f. 01/04/2022:

S. No	Particulars	Details
1.	DIN	01871780
2.	Name	Mr. Jagadish Nangineni
3.	Designation	Managing Director
4.	Telephone Number	080 – 4932 0000
5.	E-mail ID	jagadish.nangineni@sobha.com

2. Principle-wise (as per NVGs) BR Policy/Policies

(a) Details of compliance (Reply in Y/N)

Sl. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/policies for the BR principles?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Yes. All the policies are being formulated in consultations with the relevant stakeholders. As per the Statutory Requirements, mandatory policies are made available to the public through the website of the Company.								
3.	Does the policy confirm to any national/ international standards? If yes, specify? (50 words)	All the policies are framed in line with the Statutory Requirements and hence, they adhere to the National Voluntary Guidelines (NVGs) issued by the Ministry of Corporate Affairs.								
4.	Has the policy being approved by Board? If yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Wherever necessary, the policies were placed before the Board and requisite approvals were obtained.								
5.	Does the company have a specified Committee of the Board/ Director/Official to oversee the implementation of the policy?	Yes.								
6.	Indicate the link for the policy to be viewed online?	Internal policies are available for employees only. For other policies please refer to the link: https://www.sobha.com/investor-relations-downloads.php								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Internal stakeholders are made aware of the policies. External stakeholders are communicated to the extent applicable to the stakeholders. The policies are also uploaded on the website of the Company for easy access.								
8.	Does the Company have in-house structure to implement the policy/policies?	Yes.								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	Yes, all stakeholders' grievances may be addressed to investors@sobha.com								
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The policies are reviewed by the Board from time to time. Further, the policies and their compliance are also reviewed internally and whenever necessary, by external agencies periodically.								

(b). If answer to the question at S. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	The company has not understood the Principles	Not applicable								
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task									
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

Sl. No.	Particulars	Remark
1.	Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company, within 3 months, 3-6 months, annually, more than 1 year.	The Board assess the performance on a quarterly basis i.e. every 3 months. Further, in line with the requirements of the Companies Act, 2013, the Board has constituted the CSR Committee which formulates the CSR Policy and also approves CSR expenditure to be incurred on CSR activities. The Committee ensures that the expenditure is made for the right cause.
2.	Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?	The Company has published the Sustainability Report. The report can be accessed from the website of the Company at: https://www.sobha.com/wp-content/uploads/2020/09/sobha-sustainability-report.pdf The Company publishes its Business Responsibility Report on an annual basis. However, in-house magazine ***Innerve*** is published on a quarterly basis which captures the welfare initiatives undertaken by the Company.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is ethical, transparent and accountable

Sl. No.	Particulars	Remark
1.	Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors / NGOs /Others?	Yes. The Company has a Code of Conduct to address ethics, bribery and corruption related matters. The code is applicable to all internal and external stakeholders. The code may be accessed from the Company's website at: https://www.sobha.com/wp-content/uploads/2020/10/153630161520180907.pdf In addition, the Company has a vigil mechanism which monitors the ethical behaviour of the stakeholders and also alerts the top management of the Company to tap the gaps, if any, in the system.

Sl. No.	Particulars	Remark
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.	The Company has a dedicated e-mail ID to which the stakeholders may address their queries. The Secretarial Department/Investor Relation Section caters to the needs of the investors. A summary of the complaints received and resolved during the year is provided in a separate section of the Corporate Governance Report attached to the Director's Report. As at the end of the financial year, there was no query pending which needs to be addressed.

Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe

Sl. No.	Particulars	Remark
1.	List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.	Given the nature of our business, the Company can consider the following three 'products': 1. Residential/commercial projects developed by the Company for sale. 2. Projects undertaken on a contractual basis. 3. Manufacturing related to interiors, glazing and metal works and concrete products. The Company designs its 'products' in a way that they comply with the mandatorily required standards under the requisite laws. The Company and its contractors make all possible efforts to provide a healthy and safe working environment for workers at construction sites.
2.	For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional): i. Reduction during sourcing/ production/ distribution achieved since the previous year throughout the value chain? ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?	Since the products are built in multiple quantities and spread for multiple years, the details are not quantified unit-wise. Hence, these details are not available.
3.	Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs were sourced sustainably? Also provide details thereof, in about 50 words or so.	Yes, the Company has set procedures to select suppliers, contractors and service providers based on their competence and capability to perform and being in compliance with the Company's Code of Conduct which includes health and safety, environment, ethics and integrity and working conditions among others. As a guiding principle, the Company prefers to do business with compliant and sustainable suppliers. The detailed percentage is not quantifiable. Further details are provided in the Sustainability Report, which can be accessed at:https://www.sobha.com/wp-content/uploads/2020/09/sobha-sustainability-report.pdf

Sl. No.	Particulars	Remark
4.	Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?	Yes, to the extent possible the goods are procured from local and small producers. The Company maintains an equitable balance for sourcing its raw materials. SOBHA insists that its vendors constantly upgrade the process of manufacturing and thereby enhance their competencies to match the requisite quality.
5.	Does the Company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as≤ 5%, 5-10%, ≥10%). Also, provide details thereof, in about 50 words or so.	A separate section on this is provided in the Management Report attached to the Director's Report. Additional details can be obtained from the web-link: https://www.sobha.com/wp-content/uploads/2020/09/sobha-sustainability-report.pdf

Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Sl. No.	Particulars	Remark
1.	Please indicate the Total number of employees.	As on 31st March, 2022, the Company had 3,007 employees.
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis.	6 employees hired on temporary/contractual/casual basis.
3.	Please indicate the Number of permanent women employees.	The Company had 378 permanent women employees as on 31st March, 2022.
4.	Please indicate the Number of permanent employees with disabilities	The Company had 5 permanent employees with disabilities as on 31st March, 2022.
5.	Do you have an employee association that is recognized by management?	There is no employee association in the Company.
6.	What percentage of your permanent employees are members of this recognised employee association?	Not Applicable
7.	Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.	The Company does not employ child labour, forced labour or involuntary labour. Further, no complaints were received pertaining to sexual harassment during the financial year 2021-22.
8.	What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? • Permanent Employees • Permanent Women Employees • Casual/Temporary/Contractual Employees • Employees with Disabilities	 72% 37% 62% NIL

Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders

Sl. No.	Particulars	Remark
1.	Has the company mapped its internal and external stakeholders? Yes/No	Yes, the Company has mapped its internal and external stakeholders. The key stakeholders of the Company includes its Customers, Regulatory Authorities including Government, Employees, Vendors, Contractors, Bankers, Investors and Shareholders.
2.	Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholder.	All the stakeholders are equally important for the Company and none of the stakeholders are considered as disadvantaged, vulnerable and marginalized.
3.	Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.	Not applicable.

Principle 5: Businesses should respect and promote human rights

Sl. No.	Particulars	Remark
1.	Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors /NGOs/Others?	Company does not have a specific policy on human rights. However, it has a Code of Conduct which regulates practices relating to the non-employment of child labour, assuring safety measures etc. This Code is applicable to the Company, its subsidiaries as well as to the contractors engaged by the Company. The Code is applicable to the employees of the Company, its subsidiaries and contractors engaged by the Company.
2.	How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?	No complaints were received by the Company on human rights violations.

Principle 6: Businesses should respect and make efforts to protect and restore the environment

Sl. No.	Particulars	Remark
1.	Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/ Contractors /NGOs/others?	The Company has its own set of principles when it comes to utilising natural and manmade resources. The same principles are being extended to group companies.
2.	Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.	Yes, the Company has strategies/initiatives to address global environmental issues. The details may be accessed from: https://www.sobha.com/wp-content/uploads/2020/09/sobha-sustainability-report.pdf
3.	Does the company identify and assess potential environmental risks? Y/N	Yes, the Company identifies and assesses potential environmental risks and takes steps as far as possible to minimise the same.
4.	Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?	Yes, the Sustainability Report addresses the clean development mechanism.

Sl. No.	Particulars	Remark
5.	Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.	Yes, the policy may be accessed from the website: https://www.sobha.com/wp-content/uploads/2020/09/sobha-sustainability-report.pdf
6.	Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?	Yes.
7.	Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.	No, there are no show cause/legal notices received which are materially important and are pending to be resolved at the end of the Financial Year, except the details as provided in the Secretarial Audit Report.

Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Sl. No.	Particulars	Remark
1.	Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with.	Yes, the Company is a member of CREDAI Bangalore, a forum of real estate developers.
2.	Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)	Yes, the Company works for the advancement of public good along with our industry colleagues. Such work mainly involves creating a framework for sustainable business development for urban areas and inclusive development in this industry.

Principle 8: Businesses should promote inclusive growth and equitable development

Sl. No.	Particulars	Remark
1.	Does the company has specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.	Yes, such details are given in CSR Report attached to the Director's Report and also in a section in the Management Report.
2.	Are the programmes/projects undertaken through in-house team/own foundation/ external NGO/ government structures/any other organization?	The programmes are carried out by Sri Kurumba Educational and Charitable Trust, a trust associated with the Company.
3.	Have you done any impact assessment of your initiative?	The expenditure made on CSR activities and the impact of such expenditure is periodically monitored by the CSR Committee of the Board. The Trust (implementing agency) has hired Kerala Statistical Institute for the impact assessment.

Sl. No.	Particulars	Remark
4.	What is your company's direct contribution to community development projects Amount in INR and the details of the projects undertaken?	The Company along with its subsidiaries spent ₹121.10 million towards its CSR initiatives during 2021-22. Details of the projects undertaken are: i. Eradicating hunger, poverty and malnutrition, promoting preventive healthcare and sanitation. ii. Promoting education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects. iii. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens; and measures for reducing inequalities faced by socially and economically backward groups. For further details, please refer to the Annual Report on CSR and the CSR Report in the Management Report.
5.	Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.	Yes. For further details, please refer to the CSR Report, which forms part of the Management Report.

Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner

Sl. No.	Particulars	Remark
1.	What No. of customer complaints/ consumer cases were pending as on the end of financial year?	60 consumer cases were pending at the end of the financial year 2021-22 including complaints lodged with RERA.
2.	Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)	Yes. The advertisements, agreements, application forms and other relevant documents depicts them, as per the requirement of local laws.
3.	Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/ or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.	No.
4.	Did your company carry out any consumer survey/ consumer satisfaction trends?	Yes.

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

	Sd/-	**Sd/-**
Place : Bangalore	**Ravi PNC Menon**	**Jagadish Nangineni**
Date : May 20, 2022	**Chairman**	**Managing Director**

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY

The Company is committed to high standards of corporate governance and believes in conducting its business lawfully, with integrity and in an ethical manner. The Company is determined to provide in time, correct and complete information, as required, to all its stakeholders. The Company regularly interacts with all the stakeholders; its borders are expanding; its environment is changing ever faster; and its social responsibilities are growing. The Company firmly believes that good Corporate Governance can be achieved by promoting corporate fairness, transparency and accountability. To achieve Corporate Governance of the highest standards, the Company has adopted a comprehensive Corporate Governance policy.

SOBHA is in compliance with the Corporate Governance guidelines as stipulated under the Corporate Governance Policy and various clauses of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). A report on these are detailed below.

BOARD OF DIRECTORS

The Board, as defined in Sobha Limited's Corporate Governance principles has the responsibility of ensuring concord between shareholders' expectations, the Company's plans and the management's performance. The Board is also responsible for developing and approving the mission of the Company's business, its objectives and goals and the strategy for achieving these.

The composition of the Board of Directors as on March 31, 2022 was:

Name	Designation	Category	Date of appoint-ment	Director-ships*	Committee chairman-ships**	Committee member-ships**	Names of the listed entities including this entity where the person is a Director and category of directorship
Mr. Ravi PNC Menon	Chairman	Executive	June 8, 2004	8 (1 listed entity)	-	1	Sobha Limited -Executive Chairman
Mr. J C Sharma$	Vice Chairman & Managing Director	Executive	April 1, 2003	13 (1 listed entity)	-	2	Sobha Limited-Executive Director
Mr. R V S Rao	Independent Director	Non-Executive	June 28, 2006	1 listed entity	1	-	Sobha Limited- Non-Executive Independent Director
Mr. Anup S Shah	Independent Director	Non-Executive	June 28, 2006	5 (3 listed entities)	2	1	Sobha Limited – Non-Executive Independent Director Puravankara Limited - Non-Executive Independent Director Stove Kraft Limited- Non-Executive Independent Director
Mr. Sumeet Puri***	Independent Director	Non-Executive	July 8, 2019	4 (1 listed entity)	1	1	Sobha Limited – Non-Executive Independent Director
Mr. Seetharam T P$	Whole-time Director	Executive	April 1, 2019	1 listed entity	-	1	Sobha Limited Whole-time Director
Ms. Srivathsala K N	Independent Director	Non-Executive	January 4, 2020	12 (2 listed entities)	2	2	Sobha Limited- Non-Executive Independent Director Pioneer Distilleries Limited – Non-Executive Independent Director

* Includes directorships in both public (listed and unlisted) and private limited companies.

**Includes memberships/chairmanships of only the Audit Committees and Stakeholders' Relationship Committees of all listed companies.

*** Mr. Sumeet Puri, Non-Executive Independent Director resigned during the year due to shifting of residence outside India and other personal reasons. He has also confirmed that there are no material reason for his resignation. He ceased to be a Non-Executive Independent Director of the Company w.e.f. October 7, 2021.

$ Mr. JC Sharma, Vice Chairman and Managing Director resigned and he ceased to be a Director effective April 1, 2022. Mr. T P Seetharam, Whole-time Director retired on March 31, 2022 and ceased to be a Director effective April 1, 2022.

The Company meets the requirements of the Listing Regulations in terms of the composition of its Board.

The strength of the Board as on March 31, 2022 was six Directors. The Board is headed by the Executive Chairman and comprises of eminent personalities with expertise in diverse fields. As on the date of this report, there were six Directors on the Board. The composition of the Board as on March 31, 2022 comprised three Non-Executive Independent Directors and three Executive Directors, including one woman as the Independent Director. Consequent to changes in the composition of the Board effective April 1, 2022, the composition of the Board comprises two Executive Directors and four Non-Executive Independent Directors. The Company does not have any Nominee Director.

None of the Directors are related to each other. The composition of the Board of Directors satisfies the requirements of Regulation 17 of the Listing Regulations read with Section 149 of the Companies Act, 2013 and the rules made thereunder.

As per the declarations received by the Company, none of the Directors are disqualified under Section 164(2) of Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Directors have made necessary disclosures stating that, they did not hold directorships in more than seven listed companies during the year 2021-22 pursuant to Regulation 17A of the Listing Regulations. Also, the membership of the committees (Audit Committee and the Stakeholders' Relationship Committee) shall not exceed more than 10 and/or are acting as chairpersons in more than five committees in terms of Regulation 26 of the Listing Regulations.

The Company has obtained Directors and Officers' insurance ('D and O Insurance') for all its Directors of such quantum and for such risks as determined by its Board of Directors.

Note: The composition of the Board of Directors w.e.f. April 1, 2022 comprises the following Directors:

Name	Designation	Category	Date of appointment	Director-ships*	Committee chairman-ships**	Committee member-ships**	Names of the listed entities where the person is a director and category of directorship
Mr. Ravi PNC Menon	Chairman	Executive	June 8, 2004	8 (1 listed entity)	-	1	Sobha Limited -Executive Chairman
Mr. Jagadish Nangineni	Managing Director	Executive	April 1, 2022	13 (1 listed entity)	-	2	Sobha Limited -Executive Managing Director
Mr. R V S Rao	Independent Director	Non-Executive	June 28, 2006	1 listed entity	1	-	Sobha Limited – Non-Executive Independent Director
Mr. Anup S Shah	Independent Director	Non-Executive	June 28, 2006	5 (3 listed entities)	2	1	Sobha Limited – Non-Executive Independent Director Puravankara Limited - Non-Executive Independent Director Stove Kraft Limited- Non-Executive Independent Director
Ms. Srivathsala K N	Independent Director	Non-Executive	January 4, 2020	12 (2 listed entities)	2	2	Sobha Limited – Non-Executive Independent Director Pioneer Distilleries Limited – Non-Executive Independent Director
Mr. Raman Mangalorkar	Independent Director	Non-Executive	April 1, 2022	3 (1 listed entity)	-	2	Sobha Limited – Non-Executive Independent Director

* Includes directorships in both public (listed and unlisted) and private limited companies.

**Includes memberships / chairmanships of only the Audit Committee and Stakeholders' Relationship Committee of all listed companies.

Inter-se relationships among Directors

There are no inter-se relationships between the Board members.

BOARD MEETINGS

The Board has the responsibility of monitoring the Company's progress towards achieving its goals and revising and altering its direction in light of changing circumstances. Board meetings are scheduled as required under the Listing Regulations, the Companies Act, 2013 and the Rules made thereunder and as required under business exigencies. At every quarterly scheduled meeting, the Board reviews recent developments, if any, the regulatory compliance position and proposals for business growth that impact the Company's strategy.

The Board meetings are usually held at the Company's Registered and Corporate Office in Bangalore or through VC/OVAM, as permitted by the regulations.

The Company, as required by the regulations, convened at least one Board meeting in a quarter and the maximum time gap between any two meetings was not more than 120 days.

The dates of the Board meetings held during financial year 2021-22 are:

Date of the Meeting	Total Strength of BOD	No. of Directors Present
June 12, 2021	7	6
June 22, 2021	7	5
August 14, 2021	7	7
September 18, 2021	7	6
November 8, 2021	6	6
February 11, 2022	6	6
March 14, 2022	6	6

Details of the Directors' attendance in Board meetings and the previous Annual General Meeting are:

Director	Board Meetings/Annual General Meeting (AGM)							
	June 12, 2021	June 22, 2021	August 14, 2021	September 18, 2021	November 8, 2021	February 11, 2022	March 14, 2022	AGM August 13, 2021
Mr. Ravi PNC Menon	✓	✓	✓	✓	✓	✓	✓	✓
Mr. J C Sharma	✗	✗	✓	✓	✓	✓	✓	✓
Mr. T P Seetharam	✓	✓	✓	✓	✓	✓	✓	✓
Mr. R V S Rao	✓	✓	✓	✓	✓	✓	✓	✓
Mr. Anup S Shah	✓	✗	✓	✓	✓	✓	✓	✗
Mr. Sumeet Puri*	✓	✓	✓	✗	–	–	–	✓
Ms. Srivathsala K N	✓	✓	✓	✓	✓	✓	✓	✓

* Mr. Sumeet Puri ceased to be a Non-Executive Independent Director of the Company w.e.f. October 7, 2021.

AGENDA FOR THE MEETINGS AND INFORMATION FURNISHED TO THE BOARD

The agenda for the meetings is arranged by the Company Secretary in consultation with the Chairman and Vice-Chairman and Managing Director. The agenda along with detailed notes and necessary supporting documents are circulated to the Directors within the timelines prescribed by the regulations. The Company provides a separate window for meetings of Independent Directors and also facilitates independent consultations with the Statutory Auditors and Internal Auditors of the Company, if necessary. The Company also has a well-defined process in place for placing vital and sufficient information before the Board.

All items mentioned under Regulation 17(7) read with Part A of Schedule II to the Listing Regulations are covered to the fullest extent. Extensive information and presentations are made to the Board on the following matters, among others:

Information Placed Before the Board

- Minutes of the meetings of the Board and various Board and management committees.
- Annual operating/business plans, budgets and any updates.
- Capital budgets and any updates.
- The Company's operational performance and a comparison of the budget with the actuals.

- Financial analysis of the performance with a ratio analysis.
- Quarterly Unaudited and Annual Audited Financial Results of the Company and operating division or business segments.
- Cash flows with a focus on financial obligations, timelines for payment of credit facilities and interest.
- Financial statements and minutes of subsidiary companies.
- Joint ventures, collaborations and acquisitions undertaken by the Company.
- Transactions that involve substantial payments towards goodwill, brand equity or intellectual property.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movements, if material.
- Information on recruitment and remuneration of senior officers just below the Board level including appointment or removal of the Chief Financial Officer and Company Secretary.
- Show cause, demand and prosecution notices and penalty notices which are materially important.
- Non-compliance with any regulatory, statutory or listing requirements and shareholders' services such as non-payment of dividends and delay in share transfers.
- Sale of investments, subsidiaries and assets which are material in nature and not in the normal course of business.
- Any issue which involves possible public or product liability claims of a substantial nature, including any judgement or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that may have negative implications for the Company.
- Significant labour problems and their proposed solutions. Any significant developments on the human resources/ industrial relations front like signing of wage agreements and the implementation of the Voluntary Retirement Scheme etc.
- Presentations covering sales, delivery, finance, compliance and risk management practices.
- The Company's safety performance including a report on serious and fatal accidents, dangerous occurrences, any material effluent or pollution problems.
- Material litigations by and against the Company.
- Any material default in financial obligations to and by the Company or substantial non-payment for goods sold by the Company.
- Report on the Company's Corporate Social Responsibility (CSR) activities.
- Key regulatory updates and their impact on the Company.
- Minutes of the meetings of the Board of Directors of the subsidiaries.
- Other such information as may be required by law or otherwise to be placed before the Board.

Compliances Related to Board/Committee Meetings

The Company is in compliance with the provisions of the Listing Regulations pertaining to the intimation of notice of a Board meeting, publication of the results and outcome of the meeting etc. The information is also made available to the investors on the Company's website, www.sobha.com

Appointment and Re-appointment of Directors

During the year under review, Mr. Sumeet Jagdish Puri resigned from the position of Non-Executive Independent Director of the Company with effect from October 7, 2021. The current overall composition of the Board constitutes the requisition of the Listing Regulations.

In terms of Section 152 of the Companies Act, 2013, not less than two-third of the total number of Directors of a public company shall be liable to retire by rotation and one-third of such Directors shall retire every year. Further, Independent Directors shall not be liable to retire by rotation.

Mr. Ravi PNC Menon, Chairman and Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. The Board has recommended the re-appointment of Mr. Ravi PNC Menon as Director retiring by rotation designated as Chairman.

Mr. Jagdish Chandra Sharma resigned from the position of Director, Vice Chairman and Managing Director and Key Managerial Personnel (KMP) of the Company. He held the said position up to March 31, 2022 and ceased to be in the said position with effect from April 1, 2022.

Pursuant to the terms of appointment, Mr. Seetharam Thettalli Parameswaran Pillai completed his tenure of three years and retired from the position of Whole-time Director and Key Managerial Personnel of the Company on March 31, 2022. Accordingly he ceased to be a Whole-time Director w.e.f. April 1, 2022.

Further, at the Board Meeting held on March 14, 2022, Mr. Jagadish Nangineni was appointed as an Additional Director in the capacity of Whole-time Director designated as Managing Director w.e.f. April 1, 2022. In the said meeting, the Board also appointed Mr. Raman Mangalorkar as an Additional Non-Executive Independent Director of the Company w.e.f. April 1, 2022.

Certificate pursuant to Regulation 34(3) and Schedule V, Para C, Clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

A certificate issued by Mr. Nagendra D Rao, Company Secretary in practice stating that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority, forms part of this report as **Annexure A**.

Resolutions Passed by Circulation

During financial year 2021-22, the Board of Directors has passed two circular resolutions:

1. To take note of the resignation of Mr. Sumeet Jagdish Puri from the position of Non-Executive Independent Director of the Company with effect from October 7, 2021.
2. To re-constitute the Audit Committee, Corporate Social Responsibility Committee and Stakeholders' Relationship Committee with effect from October 29, 2021.

During financial year 2021-22, the Audit Committee passed two circular resolutions:

1. To approve Related Party Transactions with a Related Party with effect from September 16, 2021.
2. To approve Related Party Transactions with effect from December 23, 2021.

Directors' Compensation

The Board of Directors, basis recommendations of the Nomination, Remuneration and Governance Committee is responsible for the appointment and re-appointment of Directors and determining their remunerations subject to approval by the shareholders at the General Meeting/through postal ballot. Remunerations for the Board of Directors are approved by the shareholders and disclosed separately in the Notes to Accounts. As on March 31, 2022, the Company had three Executive/Whole-time Directors. Remuneration for Whole-time Director(s) consist of a fixed salary and/or performance incentive/commission on the consolidated profits earned by the Company. The Executive Directors of the Company are not entitled to sitting fees for attending Board or Committee meetings.

Independent Directors' Compensation

The Company has an eminent pool of Independent Directors who, with their expertise and diverse experience, contribute to the development of the Company's strategies. The Independent Directors meet the criteria defined under the Companies Act, 2013 and the Listing Regulations. A confirmation of independence has been obtained from all the Independent Directors of the Company. The Board hereby confirms that in its opinion, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management.

Apart from receiving the Director's remuneration/ sitting fees, Independent Directors do not have any material pecuniary relationships or transactions with the Company, its promoters, its management or its subsidiaries and associate companies except to the extent permitted under the applicable laws, which in the opinion of the Board may affect the independence of their judgement.

The Directors, being experts in their respective fields such as Finance (Banking, Accounts, Audits), Technical (Civil Engineering etc.), Administration, Management and Legal (Real Estate), are able to contribute effectively to Company's overall performance.

Further, a separate meeting of Independent Directors' was held on March 30, 2022. Out of three

Independent Directors, two Directors were present and one Director could not attend the meeting because of illness.

Pursuant to Section 197 of the Companies Act, 2013, a Director who is neither in whole-time employment of the Company nor a Managing Director may be paid remuneration, subject to the approval of the shareholders. The members of the Company at the 24th Annual General Meeting held on August 9, 2019, approved paying remuneration to Non-Executive Directors at a rate not exceeding 1 per cent per annum of the net profits of the Company for a period of five years commencing from April 1, 2019.

The Directors, excluding the Executive Directors, who attend the Board meetings are entitled to a sitting fees of ₹20,000 per meeting. Non-Executive Directors who are members of various committees of the Board are entitled to a sitting fees of ₹10,000 for every meeting that they attend.

The following are the details of the remuneration paid/payable to the Directors for financial year 2021-22:

(Amount in ₹)

Name	Salary	Perquisites	Contribution to Provident Fund	Commission/ Incentive	Sitting fees	Total
Mr. Ravi PNC Menon	63,076,966	3,802,600	3,780,000	13,520,787	-	84,180,353
Mr. J C Sharma	10,921,073	39,600	672,000	23,448,818	-	35,081,491
Mr. T P Seetharam	6,420,747	564,300	21,600	-	-	7,006,647
Mr. R V S Rao	-	-	-	1,700,000	240,000	1,940,000
Mr. Anup S Shah	-	-	-	1,700,000	180,000	1,880,000
Mr. Sumeet Jagadish Puri	-	-	-	8,50,000	1,40,000	9,90,000
Ms. Srivathsala K N	-	-	-	1,700,000	220,000	1,920,000

Note: The details of the nature of contract are provided in the extracts of the Nomination and Remuneration Policy. None of the Directors are entitled to severance fee.

Directors' Shareholding

The shareholding of the Directors of the Company as on March 31, 2022 was:

Name of the Director	Category	No. of equity shares	%
Mr. Ravi PNC Menon	Executive / Whole-time Director	3,185,930	3.36
Mr. J C Sharma	Executive / Whole-time Director	12,989	0.01
Mr. T P Seetharam	Executive / Whole-time Director	-	-
Mr. R V S Rao	Non- Executive Independent Director	15,000	0.02
Mr. Anup S Shah	Non- Executive Independent Director	4,300	0.00
Ms. Srivathsala K	Non- Executive Independent Director	-	-
Total		**3,192,241**	**3.39**

COMMITTEES OF THE BOARD OF DIRECTORS

As required under the Companies Act, 2013 and Listing Regulations and to cater to specific matters, the Board of Directors has constituted various committees. These committees are entrusted with such powers and functions as detailed in their terms of reference.

The Company's Board of Directors have constituted the following committees in terms of the provisions of the Companies Act, 2013 and Listing Regulations:

Committees as Mandated Under the Companies Act, 2013 and Listing Regulations

1. Audit Committee
2. Stakeholders' Relationship Committee
3. Nomination, Remuneration and Governance Committee
4. Corporate Social Responsibility Committee
5. Risk Management Committee

Other Committees: Share Transfer Committee

1. AUDIT COMMITTEE

The Audit Committee supports the Board by overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with legal and regulatory requirements. It ensures objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies and compliance and legal requirements and associated matters.

As required under Section 177 of the Companies Act, 2013, the Audit Committee should comprise of at least three Directors with Independent Directors forming the majority. As per Regulation 18 of the Listing Regulations, the Committee should comprise of at least three members of which at least two-third should be independent. As on 31st March, 2022 the Audit Committee of the Company had three members, out of which, two were Independent Directors.

The powers, roles and terms of reference of the committee are in consonance with the requirements under Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

Terms of Reference

- Regular review of accounts, accounting policies, financial and risk management policies and disclosures.
- Review of major accounting entries based on exercise of judgement by a management and review of significant adjustments arising out of the audit.
- Oversight of the listed entity's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Review of qualifications in the Draft Audit Report and suggesting action points.
- Establishing and reviewing the scope of the independent audit including the observations of the auditors and a review of the quarterly, half-yearly and annual financial statements before submission to the Board.
- The committee shall have post-audit discussions with the independent auditors to ascertain any areas of concern.
- Establishing the scope and frequency of the internal audit, reviewing the findings of the internal auditors and ensuring the adequacy of internal control systems.
- Reviewing and monitoring the auditors' independence and the performance and effectiveness of the audit process.
- To look into reasons for substantial defaults in payments to depositors, debenture holders, shareholders and creditors.
- To look into matters pertaining to the Director's Responsibility Statement with respect to compliance with accounting standards and accounting policies.
- Appointments, remunerations and terms of appointment of Statutory and Internal Auditors and approval of payment to statutory auditors for any other services rendered by them.
- Compliance with the stock exchange's legal requirements concerning financial statements to the extent applicable.
- Reviewing the adequacy of the internal audit function, if any, including the structure of the Internal Audit Department, staffing and seniority of the officer heading the department, reporting structure and coverage and frequency of internal audits.
- Discussions with internal auditors on any significant findings and follow ups thereon.
- Reviewing the findings of any internal investigations by the internal auditors of matters where there is suspected fraud or irregularities or a failure of the internal control systems of a material nature and reporting the matter to the Board.
- Approving the appointment of the Chief Financial Officer after assessing the candidate's qualifications, experience and background.
- The committee shall look into any related party transactions, that is, the Company's transactions of a material nature with promoters or the management, their subsidiaries or relatives, that may have potential conflict with the interests of the Company at large, including approval or any subsequent modifications of such transactions.

- Scrutiny of inter-corporate loans and investments.
- Valuation of the Company's undertakings or assets, wherever necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing the functioning of the vigil mechanism.
- Monitoring the end use of funds raised through public offers and related matters.
- Reviewing the utilization of loans and/or advances from/investments by the holding company in the subsidiary exceeding ₹100 crore or 10 per cent of the asset size of the subsidiary, whichever is lower including existing loans/advances/ investments existing as on the date of coming into force of this provision.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Audit Committee.

Powers of the Audit Committee

- Investigating any activity within its terms of reference.
- Seeking information from any employee.
- Obtaining outside legal or other professional advice.
- Securing attendance of outsiders with relevant expertise, if it considers necessary.

Review of Information by the Audit Committee

- Management discussions and analyses of the financial condition and results of operations.
- Financial statements and the Draft Audit Report, including quarterly/half-yearly financial information.
- Reports relating to compliance with laws and risk management.
- Records of related party transactions and a statement of significant related party transactions submitted by the management.
- Management letters/ letters of weaknesses in internal control issued by the statutory/ internal auditors.
- Internal audit reports related to weaknesses in internal controls.
- The appointment, removal and terms of remuneration of the head of the internal audit function.
- Statement of deviations:
  - Quarterly statements of deviations including the report of the monitoring agency, if applicable, submitted to the stock exchange in terms of Regulation 32(1) of the Listing Regulations.
  - Annual statement of funds used for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations.

As required under Regulation 18 of the Listing Regulations, the Chairman of the Audit Committee is an Independent Director. All members are financially literate and have financial management expertise. Mr. Vighneshwar G Bhat, Company Secretary and Compliance Officer of the Company, acted as the Secretary to the Committee.

Meetings

The quorum of the committee is two Independent Members present or one-third of the total members of the committee, whichever is higher.

The Audit Committee met six times during financial year 2021-22. There was no gap of more than 120 days between two meetings.

The dates of the meetings held during the financial year are:

Date of the meeting	Total strength of the Committee	No. of members present
June 12, 2021	3	2
June 22, 2021	3	2
August 14, 2021	3	3
September 18, 2021	3	3
November 08, 2021	3	3
February 12, 2022	3	3

The composition and attendance of the members of the Audit Committee are:

Name	Category		Audit Committee meetings					
			June 12, 2021	June 22, 2021	August 14, 2021	September 18, 2021	November 08, 2021	February 11, 2022
Mr. R V S Rao	Chairman	Non-Executive Independent	✓	✓	✓	✓	✓	✓
Mr. J C Sharma*	Member	Vice Chairman & Managing Director	×	×	✓	✓	✓	✓
Mr. Sumeet Puri**	Member	Non-Executive Independent	✓	✓	✓	✓	-	-
Mrs. Srivathsala K N***	Member	Non-Executive Independent	-	-	-	-	✓	✓
Mr. Jagadish Nangineni****	Member	Managing Director	NA	NA	NA	NA	NA	NA
Mr. Raman Mangalorkar****	Member	Non-Executive Independent	NA	NA	NA	NA	NA	NA

* Consequent to the resignation from the position of Vice Chairman and Managing Director, Mr. J C Sharma ceased to be a Member of the Committee effective April 1, 2022.

** Consequent to the resignation as Director of the Company, Mr. Sumeet Puri ceased to be a Member of the Committee w.e.f. October 7, 2021.

*** Ms. Srivathsala K N was appointed as a Member of the Committee w.e.f. October 29, 2021.

**** Mr. Jagadish Nangineni and Mr. Raman Mangalorkar were appointed as Members of the Committee w.e.f. April 1, 2022.

Due to change in Directors of the Company, the composition of the Audit Committee with effect from April 1, 2022 comprises the following members:

1. Mr. R V S Rao -Chairman
2. Mr. Jagadish Nangineni- Member
3. Ms. Srivathsala K N- Member
4. Mr. Raman Mangalorkar- Member

Invitees

The Chairman of the Board, the Chief Financial Officer, Head of Internal Audit and the Statutory Auditors attended all the Audit Committee meetings held during financial year 2021-22 as invitees.

2. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee of the Board of Directors deals with stakeholder relations and share/debenture holders' grievances including matters related to non-receipt of the Annual Report, non-receipt of the declared dividend and other such issues as may be raised by them from time to time. It ensures that investor grievances/complaints/ queries are redressed in a timely manner and to the satisfaction of the investors. The Committee oversees the performance of the Registrar and Share Transfer Agents of the Company relating to investor services.

In accordance with Regulation 20 of the Listing Regulations read with Section 178 of the Companies Act, 2013, the Committee comprises of four Directors. The Chairman of the Committee, Ms. Srivathsala K N, is a Non-Executive Independent Director. The Company Secretary and Compliance Officer of the Company acted as the Secretary to the Committee.

The terms of reference of the Committee are in consonance with the requirements mandated under Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

Terms of Reference

- Resolving the grievances of security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, issue of new/duplicate certificates and general meetings.

- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity with respect to various services being rendered by the Registrar and Share Transfer Agents.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/ annual reports/statutory notices by the shareholders of the Company.

Compliance Officer

Mr. Vighneshwar G Bhat, Company Secretary and Compliance Officer, is the Compliance Officer for complying with requirements of securities laws.

Meetings

The quorum for the committee's meeting is any two members present for the meeting.

The Stakeholders' Relationship Committee met four times during financial year 2021-22:

Date of the meeting	Total strength of the Committee	No. of members present
June 12, 2021	4	3
August 14, 2021	4	4
November 08, 2021	4	4
February 11, 2022	4	4

The composition and attendance of the members of the Stakeholders' Relationship Committee are:

Name	Category		Stakeholders Relationship Committee meetings			
			June 12, 2021	August 14, 2021	November 08, 2021	February 11, 2022
Mr. Sumeet Puri*	Chairman	Non-Executive Independent	✓	✓	–	–
Mr. Ravi PNC Menon	Member	Executive Chairman	✓	✓	✓	✓
Mr. J C Sharma**	Member	Vice Chairman & Managing Director	✕	✓	✓	✓
Mr. T P Seetharam**	Member	Whole-time Director	✓	✓	✓	✓
Ms. Srivathsala K N***	Chairman	Non-Executive Independent	–	–	✓	✓
Mr. Jagadish Nangineni****	Member	Managing Director	NA	NA	NA	NA
Mr. Raman Mangalorkar****	Member	Non-Executive Independent	NA	NA	NA	NA

* Consequent to his resignation as Director of the Company, Mr. Sumeet Puri ceased to be a Member and Chairman of the Committee w.e.f. October 7, 2021.

** Mr. J C Sharma and Mr. T P Seetharam ceased to be Members of the Committee effective April 1, 2022 due to resignation and retirement from the position of Vice Chairman and Managing Director and Whole Time Director respectively.

*** Ms. Srivathsala K N was appointed as Member and Chairman of Stakeholders Relationship Committee w.e.f. October 29, 2021.

**** Mr. Jagadish Nangineni and Mr. Raman Mangalorkar were appointed as Members of the Committee w.e.f. April 1, 2022.

The composition of the Committee with effect from April 1, 2022 is:

1. Ms. Srivathsala K N -Chairman of the Committee
2. Mr. Jagadish Nangineni- Member
3. Mr. Ravi PNC Menon- Member
4. Mr. Raman Mangalorkar-Member

Investor Grievances and Queries

The queries received and resolved to the satisfaction of the investors during financial year 2021-22 are:

Particulars	Balance as on April 1, 2021	Received during the year	Resolved during the year	Balance as on March 31, 2022
SEBI SCORES Website	-	1	1	-
Registrar of Companies	-	-	-	-
Stock Exchange	-	-	-	-
Non-Receipt/ Revalidation of Dividend Warrants	-	26	26	-
Miscellaneous	-	-	-	-
Total	**-**	**27**	**27**	**-**

3. NOMINATION, REMUNERATION AND GOVERNANCE COMMITTEE

The Nomination, Remuneration and Governance Committee of the Board of Directors recommends the nomination of directors, key managerial personnel and senior management of the Company and carries out an evaluation of the performance of individual directors, recommends the remuneration policy for directors, key managerial personnel and other employees, recommends to the Board all remunerations, in whatever form, payable to the senior management and also deals with the Company's governance related matters.

Terms of Reference

- To identify, review, assess, recommend and lead the process for appointment of Executive, Non-Executive and Independent Directors to the Board and Committees thereof and to regularly review the structure, size and composition and the balance of skills, knowledge and experience of the Board and the Board's committees and make recommendations to the Board or, where appropriate, to the relevant committee with regard to any adjustments that are deemed necessary.
- To formulate criteria for evaluating Independent Directors and the Board of Directors.
- To evaluate the performance of the Chairman and other members of the Board on an annual basis and to monitor and evaluate the performance and effectiveness of the Board and the Board's committees and the contribution of each Director to the Company. The Committee shall also seek the views of Executive Directors on the performance of Non-Executive Directors.
- Whether to extend or continue the terms of appointment of Independent Directors on the basis of a report of their performance evaluation.
- To devise a policy for the Board's diversity.
- To identify persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down and recommend to the Board their appointment and removal.
- To recommend to the Board all remuneration, in whatever form, payable to Board members and key managerial personnel.
- To make recommendations to the Board on the following matters:
  - Re-appointment of any Executive and Non-Executive Director at the conclusion of his/her specified term of office.
  - Re-election by members of any Director who is liable to retire by rotation as per the Company's Articles of Association.
  - Any matters relating to the continuation in office of any Director at any time.
- To formulate a policy relating to the remunerations of the directors, key managerial personnel and other employees.
- To define and articulate the Company's overall Corporate Governance structure

and to develop and recommend to the Board of Directors the Board's Corporate Governance Guidelines.

- To receive reports, investigate, discuss and make recommendations with respect to breaches or suspected breaches of the Company's Code of Conduct.
- To review and monitor the Company's policies and practices on compliance with legal and regulatory requirements and to develop, review and monitor the Code of Conduct and Compliance Manual applicable to the employees and directors.
- Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by such a committee.

Meetings

The quorum for a meeting is either two members or one-third of the members of the committee, whichever is higher, including at least one Independent Director being present for the meeting.

Due to a change in the Board of Directors of the Company, the composition of the Nomination, Remuneration and Governance Committee with effect from April 1, 2022 is:

1. Mr. Anup S Shah -Chairman of the Committee
2. Mr. RVS Rao-Member
3. Mr. Ravi PNC Menon-Member
4. Mr. Raman Mangalorkar-Member

As required under Regulation 19 of the Listing Regulations, the Committee comprises four Directors. The Chairman of the Committee, Mr. Anup S Shah, is a Non-Executive Independent Director. Mr. Vighneshwar G Bhat, Company Secretary and Compliance Officer of the Company acted as the Secretary to the Committee.

The Nomination and Remuneration Policy contains the criteria for evaluating the Board, its committees and Directors. The policy is available on the Company's website at https://www.sobha.com/wp-content/uploads/2020/10/15363016592018090 7.pdf and also forms a part of the Directors' Report.

The Nomination, Remuneration and Governance Committee met three times during financial year 2021-22:

Date of the meeting	Total strength of the Committee	No. of members present
June 12, 2021	4	4
September 18, 2021	4	2
February 11, 2022	3	3

The composition and attendance of the members of the Nomination, Remuneration and Governance Committee are:

Name	Category		Nomination, Remuneration and Governance Committee's Meetings		
			June 12, 2021	September 18, 2021	February 11, 2022
Mr. Anup S Shah	Chairman	Non-Executive Independent	✓	✕	✓
Mr. R V S Rao	Member	Non-Executive Independent	✓	✓	✓
Mr. Ravi PNC Menon	Member	Executive Chairman	✓	✓	✓
Mr. Sumeet Puri*	Member	Non-Executive Independent	✓	✕	-
Mr. Raman Mangalorkar**	Member	Non-Executive Independent	NA	NA	NA

* Mr. Sumeet Puri Chairman of the Committee ceased to be a Member and Chairman of the Committee w.e.f. October 7, 2021.

**Mr. Raman Mangalorkar was appointed as a Member of the Committee w.e.f. April 1, 2022.

4. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee of the Board of Directors is entrusted with the responsibility of formulating and monitoring the Company's Corporate Social Responsibility Policy. The Corporate Social Responsibility Policy is available on the Company's website at https://www.sobha.com/wp-content/uploads/2020/10/158036284320200130.pdf

The role and terms of reference of the Committee are as per the requirements mandated under Section 135 of the Companies Act, 2013 and the relevant rules made thereunder.

Terms of Reference

- Formulating the Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company.
- Recommend the amount of expenditure to be incurred on the aforesaid activities.
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.
- Prepare an Annual Report on Corporate Social Responsibility initiatives for inclusion in the Board's Report.
- Perform such functions as may be detailed in the Companies Act, 2013 and the relevant rules made thereunder and any other applicable legislations.

Meetings

The quorum for a meeting is any two members present for the meeting.

The Committee met four times during financial year 2021-22:

Date of the meeting	Total strength of Committee	No. of members present
June 22, 2021	3	2
August 14, 2021	3	3
November 08, 2021	3	2
February 11, 2022	3	3

The composition and attendance of the members of the Corporate Social Responsibility Committee are:

Name	Category		Corporate Social Responsibility Committee meetings			
			June 22, 2021	August 14, 2021	November 08, 2021	February 11, 2022
Mr. Sumeet Puri*	Chairman	Non-Executive Independent	✓	✓	-	-
Mr. J C Sharma****	Member	Vice Chairman & Managing Director	✕	✓	✓	✓
Ms. Srivathsala K N**	Member	Non-Executive Independent	✓	✓	✓	✓
Mr. Anup S Shah***	Member	Non-Executive Independent	-	-	✕	✓

* Mr. Sumeet Puri ceased to be a Member and Chairman of the Committee w.e.f. October 7, 2021.

** Ms. Srivathsala K N was appointed as Member of the Committee w.e.f. June 12, 2021.

*** Mr. Anup S Shah was appointed as Chairman and Member of the Committee w.e.f. October 29, 2021.

**** Mr. J C Sharma ceased to be a Member of the Committee w.e.f. April 1, 2022.

Note: The Corporate Social Responsibility Committee was re-constituted w.e.f. April 1, 2022 and the re-constituted Committee comprises the following members:

Sr. No.	Name of the Member	Category
1.	Mr. Anup S Shah, Independent Director	Chairman
2.	Ms. Srivathsala K N, Independent Director	Member
3.	Mr. Jagadish Nangineni, Managing Director	Member

The Company Secretary and Compliance Officer of the Company acted as the Secretary to the Committee.

5. RISK MANAGEMENT COMMITTEE

The Risk Management Committee of the Board of Directors is entrusted with the responsibility of establishing policies to monitor and evaluate the Company's risk management systems specifically covering cyber security.

Terms of Reference

- Oversee and approve the Company's risk management, internal compliance and control policies and procedures.
- Oversee the design and implementation of the risk management and internal control systems (including reporting and internal audit systems), in conjunction with existing business processes and systems to manage the Company's material business risks.
- Receive reports from, review with and provide feedback to the management on the categories of risks that the Company faces including but not limited to credit, market, liquidity and operational risks, exposures in each category, significant concentration within those risk categories, the metrics used for monitoring the exposures and the management's views on the acceptable and appropriate levels of these risk exposures.
- Establish policies for the monitoring and evaluation of risk management systems to assess the effectiveness of these systems in minimizing risks that may adversely affect the Company's business.
- Oversee and monitor the management's documentation of the material risks that the Company faces and update them as events change and risks shift.
- Review reports on any material breach of risk limits and the adequacy of the proposed actions undertaken.
- In consultation with the Audit Committee, review and discuss the following with the management:
  - i. key guidelines and policies governing the Company's significant processes for risk assessment and risk management; and
  - ii. the Company's major risk exposures and the steps that the management has taken to monitor and control such exposures.
- Report the proceedings of the committee to the Board or the Audit Committee of the Board at its regular meetings on all matters which fall within its terms of reference.
- Recommend to the Board or the Audit Committee of the Board, as it deems appropriate, any area within its terms of reference where an action or improvement is needed.
- Review its own performance, constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Meetings

The quorum for a meeting is any two members present or one-third of the members which ever is higher.

The Company Secretary and Compliance Officer of the Company acted as the Secretary to the Committee.

The Committee met two times during financial year 2021-22:

Date of the meeting	Total strength of the Committee	No. of members present
June 12, 2021	4	3
December 08, 2021	4	4

The composition and attendance of the members of the Risk Management Committee are:

Name	Category		Risk Management Committee meetings	
			June 12, 2021	December 08, 2021
Mr. Anup S Shah	Chairman	Non-Executive Independent	✓	✓
Mr. Ravi PNC Menon	Member	Chairman	✓	✓
Mr. J C Sharma**	Member	Vice Chairman & Managing Director	✕	✓
Mr. Subhash Mohan Bhat*	Member	Chief Financial Officer	✓	–
Mr. Yogesh Bansal*	Member	Chief Financial Officer	–	✓
Mr. Jagadish Nangineni**	Member	Managing Director	–	–

* Mr. Subhash Mohan Bhat ceased to be a Member of the Committee and Mr. Yogesh Bansal was appointed as Member of the Committee w.e.f. November 15, 2021.

** Mr. J C Sharma ceased to be a Member of the Committee and Mr. Jagadish Nangineni was appointed as a Member of the Committee w.e.f. April 1, 2022.

Due to changes in Directors/Managerial personnel of the Company, the composition of the Risk Management Committee with effect from April 1, 2022 is as under:

1. Mr. Anup S Shah- Chairman of the Committee
2. Mr. Ravi PNC Menon- Member
3. Mr. Jagadish Nangineni- Member
4. Mr. Yogesh Bansal- Member

OTHER COMMITTEES:

SHARE TRANSFER COMMITTEE

The Share Transfer Committee of the Board of Directors specifically addresses matters relating to transfer, split, consolidation, dematerialization and re-materialization of shares.

Terms of Reference

- To look into requests for transfer and transmission of shares.
- To look into requests for the re-materialization of shares.
- To issue duplicate share certificates in lieu of original share certificates.
- To issue split share certificates as requested by a member.
- To take all such steps as may be necessary in connection with the transfer, transmission, splitting and issuing of duplicate share certificates in lieu of original share certificates.

Composition

As on March 31, 2022, the Share Transfer Committee comprised Mr. J C Sharma - Chairman, Mr. Ravi P N C Menon-Member and Mr. T P Seetharam - Member. Consequent to change in the Directors, effective April 1, 2022, the Share Transfer Committee was reconstituted with Mr. Jagadish Nangineni, Chairman, Mr. Ravi P N C Menon - Member and Ms. Srivathsala K N- Member of the Committee.

Meetings

The quorum for a meeting is any two members present for the meeting.

No requests pertaining to transfer, dematerialization, re-materialization, issue of duplicate or split share certificates were received during financial year 2021-22.

The Share Transfer Committee was not required to meet during the year.

DISCLOSURES

Related Party Transactions

Pursuant to Regulation 23 of the Listing Regulations, the Board of Directors formulated a Policy on Related Party Transactions which can be accessed from the Company's website at https://www.sobha.com/wp-content/uploads/2020/10/1573449784201911\1.pdf Disclosures of related party transactions is part of the Notes to Accounts section of the Annual Report.

During the year under review, there were no materially significant related party transactions which may have potential conflict with the interests of the Company at large.

Subsidiary Monitoring Framework

The Company has the following six subsidiaries and five step-down subsidiaries in terms of the Companies Act, 2013. The Company also has 100 per cent economic interests in a partnership firm.

A. Subsidiaries

- Sobha Developers (Pune) Limited - (subsidiary)
- Sobha Highrise Ventures Private Limited - (subsidiary)
- SOBHA Assets Private Limited - (subsidiary)
- Sobha Tambaram Developers Limited - (subsidiary)
- Sobha Nandambakkam Developers Limited - (subsidiary)
- Sobha Construction Products Private Limited - (subsidiary)

B. Step-down Subsidiaries

- Sobha Contracting Private Limited - (subsidiary of a subsidiary)
- Kilai Builders Private Limited - (subsidiary of a subsidiary)
- Sobha Interiors Private Limited - (subsidiary of a subsidiary)
- Kuthavakkam Builders Private Limited - (subsidiary of a subsidiary)
- Kuthavakkam Realtors Private Limited - (subsidiary of a subsidiary)

C. Sobha City, a registered partnership firm

In terms of Regulation 16 of the Listing Regulations, the Board of Directors formulated a policy for determining material subsidiaries. The policy is available on the Company's website https://www.sobha.com/wp-content/uploads/2020/10/157345087920191111.pdf

None of the aforesaid subsidiaries is a material non-listed Indian subsidiary as defined under the Listing Regulations and the Material Subsidiary Policy of the Company.

The Company monitors the performance of subsidiary companies, inter alia, by the following means:

a. Financial statements, in particular investments made by the subsidiaries are reviewed by the Company's Audit Committee.

b. Review of annual business plans and budgets.

c. Review of budget versus actuals and an analysis of the variance.

d. All the minutes of Board meetings of the subsidiaries are placed before the Company's Board regularly.

e. A statement of all significant transactions and arrangements entered into by the subsidiaries.

CODE OF CONDUCT

In terms of Regulation 17 of the Listing Regulations, the Company has adopted a Code of Conduct for the Company's Board of Directors and senior management personnel. The code is circulated to all the Directors and senior management personnel and their compliance is affirmed by them for 2021-22. The Code of Conduct adopted by the Company has been posted on its website.

Code of Conduct for Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all Promoters, Directors, Key Managerial Personnel and Designated Persons. The code is available on the Company's website at https://www.sobha.com/wp-content/uploads/2020/10/157322075120191108.pdf

As required under SEBI Insider Trading Regulations, the Board of Directors has formulated a structured digital database for tracking compliance of insider trading activities. The database covers all the designated persons and is hosted on the Company's server.

CONFIRMATION OF THE CODE OF CONDUCT BY THE MANAGING DIRECTOR

This is to confirm that the Company has adopted a Code of Conduct for its Board Members and senior management personnel and the same is available on the Company's website.

I confirm that the Company has, in respect of the financial year ended March 31, 2022, received from the senior management personnel of the Company and the members of the Board, a declaration of compliance with the Code of Conduct as applicable to them.

Sd/-

Place : Bangalore **Jagadish Nangineni**
Date : May 20, 2022 Managing Director

Vigil Mechanism

A comprehensive vigil mechanism to ensure ethical behaviour in all its business activities and a system for employees to report any illegal, unethical behaviour, suspected fraud or violation of laws, rules and regulations or conduct to the Chief Vigilance Officer and the Audit Committee of the Board of Directors is in place in the Company. The mechanism adequately insulates whistle blowers against victimization or discriminatory practices.

All such reports are taken up for consideration at appropriate intervals depending on the gravity of the matter reported so that adequate measures can be initiated in right earnest at appropriate levels. The Company further confirms that no personnel have been denied access to the Audit Committee.

FAMILIARIZATION PROGRAMMES

The familiarization programmes for Independent Directors are bifurcated into:

I. Initial or Preliminary

During their appointment, Independent Directors are apprised of their roles, duties and responsibilities in the Company. A detailed letter containing the Company's expectations, the rights, powers, responsibilities and liabilities of the Independent Directors and the policies of the Company are issued to the Independent Directors during their appointment. The Independent Directors are required to adhere to these.

II. Continual or Ongoing

Updates on the affairs of the Company including operational and financial details are provided to the Independent Directors on a quarterly basis. Further, immediate updates on significant issues, if any, are provided to all the Directors immediately on the occurrence of such an event. Periodical presentations are made to the Independent Directors on the Company's strategies and business plans. The Independent Directors are also regularly informed about material regulatory and statutory updates affecting the Company.

Details of the familiarization programmes imparted to the Independent Directors are given on the Company's website at https://www.sobha.com/wp-content/uploads/2020/10/157554786620191205.pdf

COMPLIANCES

In general, there was no instance of non-compliance with any legal requirements on any matter relating to the capital market, nor was any restriction imposed by any stock exchange or SEBI except as reported in the Secretarial Compliance Report during the last three years.

The Company complied with the applicable provisions of the Regulations, Acts, Rules, Notifications and Circulars related to stock exchanges/SEBI/other statutory authorities on all matters related to capital markets. There are no penalties or strictures except those disclosed in the Secretarial Compliance Report submitted to the Stock Exchanges, imposed on the Company by the stock exchanges/SEBI/ any other statutory authority relating to the above.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report titled 'Management Report' forms a part of the Annual Report. It includes, among other things, a discussion on the following:

- Industry structure and developments
- Risks and concerns
- Discussion on financial performance with respect to operational performance
- Human resources
- Outlook

As required under Schedule V of the Listing Regulations, the skills/expertise/competence of Board members are provided below:

Name	Designation	Category	Skills/expertise/competence
Mr. Ravi PNC Menon	Chairman	Executive	Expertise in construction and real estate development along with product delivery, project execution, quality control, technology advancement, process and information technology and customer satisfaction.
Mr. Jagdish Chandra Sharma	Vice Chairman and Managing Director (up to March 31, 2022)	Executive	Expertise in finance, purchase, legal and land acquisition and administration and overall operations.
Mr. Jagadish Nangineni	Managing Director (from April 1, 2022)	Executive	Expertise in real estate, consulting and technology.
Mr. R V S Rao	Independent Director	Non-Executive	An expert in banking and finance.
Mr. Anup S Shah	Independent Director	Non-Executive	Expertise in law, specifically real estate laws.
Mr. T P Seetharam	Whole-time Director (up to March 31, 2022)	Executive	Expertise in administrative services and CSR activities.
Mr. Sumeet Puri	Independent Director (up to October 7, 2021)	Non-Executive	Expertise in global investment banking, capital raising and investments.
Ms. Srivathsala K N	Independent Director	Non-Executive	Expertise in strategic business advisory, financial planning, active angel investment, start-up business.
Mr. Raman Mangalorkar	Independent Director (from April 1, 2022)	Non-Executive	Expertise in strategic, operational and organization related matters.

Detailed skills/experience/expertise of each of the Directors are provided elsewhere in the Annual Report.

Corporate Governance Compliance Certificate

The Corporate Governance Compliance Certificate for the year ended March 31, 2022, issued by Mr. Nagendra D. Rao, Practicing Company Secretary in terms of the Listing Regulations is annexed to the Directors' Report and forms part of the Annual Report.

Secretarial Audit Report

The Secretarial Audit Report for the year ended March 31, 2022, issued by Mr. Nagendra D. Rao, Practicing Company Secretary in accordance with the provisions of Section 204 of the Companies Act, 2013 forms part of the Annual Report.

CEO / CFO Certificate

The Chief Executive Officer (CEO) / Chief Financial Officer (CFO) certification in terms of the Listing Regulations forms part of the Annual Report.

Remuneration to Statutory Auditors

During financial year 2021-22, the fees paid/ payable to the Statutory Auditors of the Company is as follows:

(₹ in million)

Audit fees [includes fees for limited reviews]	10.00
Other services	2.50
Out of pocket expenses	1.12
Total	**13.62**

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has always believed in providing a safe and harassment free workplace for every individual working in the Company's premises through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.

The following is a summary of sexual harassment complaints received and disposed of during financial year 2021-22:

a. number of complaints filed during the financial year: Nil

b. number of complaints disposed of during the financial year: Nil

c. number of complaints pending as at the end of the financial year: Nil

COMPLIANCE OF NON-MANDATORY REQUIREMENTS

Part-E of Schedule-II of the Listing Regulations contains certain non-mandatory requirements that a company may implement at its discretion. Disclosures on compliance of mandatory requirements and adoption (and compliance)/ non-adoption of the non-mandatory requirements is made in the Corporate Governance Report of the Annual Report. The status of compliance of non-mandatory requirements is as follows:

A. The Board

The details required to be provided with respect to the Non-Executive Chairman are not applicable as the Chairman of the Board is the Executive Chairman.

B. Shareholders' Rights

The half-yearly declaration of financial performance together with the summary of significant events in the last six months are not individually provided to the shareholders. However, information on financial and business performance is provided in the 'Investors Section' on the Company's website, www.sobha.com on a quarterly basis.

C. Modified opinion(s) in the Audit Report

The audited financial statements of the Company for financial year 2021-22 do not contain any qualifications and the Statutory Auditors Report/Secretarial Audit Report does not contain any adverse remarks. The Audit Reports are unmodified reports.

D. Separate Posts of Chairman and CEO

The Company has appointed separate persons to the posts of Chairman and Managing Director.

E. Reporting by the Internal Auditor

The internal auditor reports to the Audit Committee of the Board of Directors of the Company. The Audit Committee is empowered to hold separate meetings and discussions with the internal auditor.

The Company complied with Corporate Governance requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of Sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

COMPANY INFORMATION

Annual General Meeting

The details of the Annual General meetings convened during the last three years are:

Financial Year	Date and Time	Venue	Special Resolutions
2020-2021	August 13, 2021 at 3:00 pm	Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)	1. Issue of non-Convertible Debentures on a private placement basis. 2. Re-appointment of Mr. Ravi PNC Menon (DIN: 02070036) as Whole-time Director designated as Chairman of the Company.
2019-2020	August 07, 2020 at 3.00 pm	Through Video Conferencing (VC)/ Other Audio-Visual Means (OAVM)	1. Issue of non-Convertible Debentures on a private placement basis. 2. Amendment to the Memorandum of Association of the Company.
2018-2019	August 09, 2019 at 3.30 pm	Taj MG Road, Bengaluru, 41/3, Mahatma Gandhi Road, Bengaluru - 560 001	1. Re-appointment of Mr. Jagdish Chandra Sharma (DIN: 01191608), as Vice Chairman and Managing Director. 2. Appointment of Mr. Seetharam Thettalil Parameswaran Pillai (DIN: 08391622) as Whole-time Director of the Company. 3. Appointment of Mr. Jagadish Nangineni (DIN: 01871780) as Deputy Managing Director of the Company. 4. Approval of remuneration for Mr. Ravi PNC Menon (DIN: 02070036), Chairman of the Company. 5. Re-appointment of Mr. Ramachandra Venkatasubba Rao (DIN: 00061599) as a Non-Executive Independent Director of the Company. 6. Re-appointment of Mr. Anup Sanmukh Shah (DIN: 00317300) as a Non-Executive Independent Director of the Company. 7. Issue of Non-Convertible Debentures on a private placement basis.

Extraordinary General Meeting

No Extraordinary General meeting was held during financial years 2019-20, 2020-21 and 2021-22.

Postal Ballot

No ordinary or special resolutions were passed through postal ballot during the year. None of the businesses proposed to be transacted at the ensuing Annual General meeting require passing an ordinary or special resolution through postal ballot.

MEANS OF COMMUNICATION

Website	Appropriate information relating to the Company and its performance including financial results, press releases pertaining to important developments, performance updates and corporate presentations are regularly posted on the Company's website www.sobha.com. The 'Investors Section' provides up-to-date information to shareholders on matters such as the shareholding patterns, outcomes of Board and General Meetings, stock performance, unclaimed equity shares, unclaimed dividends and investor presentations.
Financial Results	Quarterly, half-yearly and annual financial results are published in an English newspaper (The Financial Express) and a regional language newspaper (Prajavani).
NEAPS	Stock exchange intimations are electronically submitted to NSE through the NSE Electronic Application Processing System (NEAPS) and Digital Exchange Portal.
BSE Listing Centre	Stock exchange intimations are electronically submitted to BSE through the BSE Listing Centre.
Annual Report	The Chairman's Message, Directors' Report, the Management Discussion and Analysis Report and the Corporate Governance Report form part of the Company's Annual Report and are available on the Company's website.
Investor Servicing	The contact details for investor queries are given elsewhere in this Report. The Company has a designated e-mail ID, investors@sobha.com for investor servicing.
Stakeholder Satisfaction Survey	An online survey is available on the Company's website for addressing stakeholders' grievances and for their feedback on the efficacy of investor services.
List of all Credit Ratings obtained by the entity along with revisions, if any, thereto during the relevant financial year	Long-term Rating CRISIL A+/Stable (Rating Reaffirmed and withdrawn) Short-term Rating CRISIL A1 (Rating Reaffirmed and withdrawn) Term loans IND AA-/Stable Fund-based Working Capital limits INDAA-/Stable/IND A1+ Non-fund-based Working Capital limits INDAA-/Stable/IND A1+ Proposed Non-Convertible Debentures INDAA-/Stable/IND A1+ (NCDs) ICRA A+(Stable)

RECOMMENDATION OF DIVIDEND AND DIVIDEND PAYMENT DATE

The Board of Directors has recommended a dividend of ₹3.00 per equity share of ₹10 which is subject to the approval of the members in the ensuing Annual General meeting.

In terms of Section 123 of the Companies Act, 2013, the dividend amount will be deposited in a separate bank account within 5 days from the date of the Annual General meeting and will be paid to the shareholders within the prescribed time.

DIVIDEND HISTORY

The dividends declared by the Company in the previous seven years are:

Financial year	Rate of dividend (%)	Dividend per equity share of ₹ 10 each
2014-15	70.00	7.00
2015-16*	20.00	2.00
2016-17**	25.00	2.50
2017-18	70.00	7.00
2018-19	70.00	7.00
2019-20	70.00	7.00
2020-21	35.00	3.50

*A buy-back of 1,759,192 equity shares @ ₹330 per share amounting to ₹58.05 crore was carried out during financial year 2016-17.

** A buy-back of 1,458,823 equity shares @ ₹425 per share amounting to ₹62.00 crore was carried out during financial year 2017-18.

OTHER INFORMATION

Listing fee	The Company paid annual listing fees for the financial year 2022-23 to BSE Limited and the National Stock Exchange of India Limited.
Listing on stock exchanges	The equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).
Reconciliation of the share capital audit	In terms of Regulation 76 of the SEBI (Depositories and Participants) Regulations, 2018, reconciliation of the Share Capital Audit is conducted every quarter by Mr. Natesh K., Practicing Company Secretary to reconcile the total admitted capital with the National Securities Depository Limited (NSDL), the Central Depository Services (India) Limited (CDSL) and physically with the shareholders and the total issued and listed capital. The report is forwarded to the stock exchanges within the prescribed timeline, where the shares of the Company are listed.
Outstanding GDRs/ ADRs /Warrants /Convertible Instruments and their impact on equity	As on March 31, 2022, the Company did not have any outstanding GDRs/ADRs/ Warrants/Convertible Instruments.
Plant locations of the divisions	**Interiors Division:** • Plot No. 9, KIADB Industrial Area, Jigani-Bommasandra Link Road, Hennagara (Post), Anekal Taluk, Bommasandra, Bengaluru– 560105. • Plot No. A-915 RIICO Industrial Area Bhiwadi, Tehsil Tijara Distt. Alwar, Rajasthan -301019. **Metals & Glazing Division:** • Plot No. 10, Bommasandra Industrial Area, Bommasandra Jigani Link Road, Jigani Post, Opposite to Biocon, KIADB Industrial Area, Anekal Taluk, Bengaluru – 560105. • Plot No. # G-6, SIPCOT Industrial Park, 2nd Cross Road, Irungulam - Mambakkam, Sri Perumbudur, Kancheepuram Dist., Chennai – 602 105. • Plot No. -345, Phase-V, Sector-56, HSIIDC, Kundli Industrial Area, Dist.-Sonepat, Haryana-131 028. **Concrete Products Division:** • Plot No. # 329, Bommasandra Jigani Link Road, Industrial Area, Jigani, Anekal Taluk, Bengaluru – 560 105. • Sector 106, 108, 109, Babupur, Near New Palam Vihar, Gurugam, Haryana – 122 017. **SOBHA Restoplus Division:** • Plot No. 9, KIADB Industrial Area, Jigani Bommasandra Link Road, Bommasandra, Hennagara Post, Anekal Taluk, Bengaluru– 560 105.

STOCK CODE DETAILS

Particulars	International Securities Identification Number	National Stock Exchange of India Limited	BSE Limited
Company | Stock Code	INE671H01015	SOBHA	532784

The Bloomberg code for the Company is SOBHA:IN. The Reuters code is SOBH.NS (NSE) and SOBH.BO (BSE).

STOCK PRICE DATA

	National Stock Exchange of India Limited (NSE)				BSE Limited (BSE)			
	High	Low	Average	Volume	High	Low	Average	Volume
	₹	₹	₹	No.	₹	₹	₹	No.
April-21	548.50	419.45	495.80	11,603,913	548.00	421.00	495.83	942,881
May-21	499.00	443.35	469.77	5,750,079	498.00	442.00	470.04	502,929
June-21	537.20	459.00	498.20	7,301,009	536.80	456.00	497.29	566,043
July-21	688.35	462.00	570.85	27,397,331	687.75	462.00	571.09	1,512,756

	National Stock Exchange of India Limited (NSE)				BSE Limited (BSE)			
	High	Low	Average	Volume	High	Low	Average	Volume
	₹	₹	₹	No.	₹	₹	₹	No.
August-21	652.75	552.75	603.57	4,836,605	652.10	552.55	602.88	391,481
September-21	848.00	628.65	766.99	15,466,849	847.00	630.00	766.84	842,248
October-21	901.00	694.55	804.93	8,931,754	900.00	696.20	805.11	683,292
December-21	918.00	764.65	859.53	11,492,063	917.00	765.00	859.32	699,383
January-22	1,044.95	830.00	900.20	14,418,455	1,045.00	831.65	899.74	901,958
February-22	897.85	687.00	815.67	5,988,766	901.00	688.00	816.35	478,592
March-22	793.00	688.00	733.29	7,037,805	792.00	687.60	733.67	462,672

The Company's share price performance vis-à-vis broad-based indices during financial year 2021-22 forms a part of the Annual Report.

SHAREHOLDING PATTERN

Distribution of Shareholding as on March 31, 2022

Range of equity shares held	No. of shareholders	% of total shareholders	Number of shares	% of Issued capital
1 – 500	86,511	97.77	3,203,972	3.38
501 – 1,000	996	1.13	756,713	0.80
1,001 – 2,000	450	0.51	662,288	0.70
2,001 – 3,000	148	0.17	371,537	0.39
3,001 – 4,000	68	0.07	243,188	0.26
4,001 – 5,000	45	0.05	210,922	0.22
5,001 – 10,000	84	0.09	602,068	0.63
10,001 and above	182	0.21	88,795,165	93.62
Total	**88,484**	**100.00**	**94,845,853**	**100.00**

SHARE CAPITAL HISTORY

Date of allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consider-ation	Reasons for Allotment	Cumulative No. of Equity Shares	Cumulative paid-up share capital (₹)
August 07, 1995	30	10	10	Cash	Subscribers to memorandum	30	300
February 11, 1998	1,174,729	10	10	Cash	Further allotment	1,174,759	11,747,590
March 25, 1998	2,000,000	10	10	Cash	Further allotment	3,174,759	31,747,590
October 16, 1998	1,934,823	10	10	Cash	Further allotment	5,109,582	51,095,820
December 22, 1998	855,000	10	10	Cash	Further allotment	5,964,582	59,645,820
March 25, 1999	1,000,000	10	10	Cash	Further allotment	6,964,582	69,645,820
July 11, 2002	14,175,898	10	10	Cash	Further allotment	21,140,480	211,404,800
June 28, 2006	42,280,960	10	10	-	Bonus issue in the ratio of 2:1	63,421,440	634,214,400
October 28, 2006*	97,245	10	617	Cash	Preferential allotment-pre-IPO placement to Bennett, Coleman & Co. Limited	63,518,685	635,186,850
October 28, 2006**	486,223	10	617	Cash	Preferential allotment pre-IPO placement to Kotak Mahindra Private Equity Trustee Limited	64,004,908	640,049,080

Date of allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Consider-ation	Reasons for Allotment	Cumulative No. of Equity Shares	Cumulative paid-up share capital (₹)
December 12, 2006***	8,896,825	10	640	Cash	8,014,705 equity shares were allotted to the public and 882,120 equity shares were allotted pursuant to employee reservation pursuant to the initial public offering	72,901,733	729,017,330
July 03, 2009****	25,162,135	10	209.40	Cash	Qualified Institutional Placement	98,063,868	980,638,680
July 22, 2016$	1,759,192	10	330.00	Cash	Buyback	96,304,676	963,046,760
October 12, 2017^	1,458,823	10	425.00	Cash	Buyback	94,845,853	948,458,530

* Pursuant to a Shareholders' Agreement dated October 25, 2006, 97,245 equity shares were issued and allotted to Bennett, Coleman & Co. Limited, at a price of ₹617 per equity share including a share premium of ₹607 per equity share, aggregating ₹60 million.

** Pursuant to a subscription agreement dated October 26, 2006, 486,223 equity shares at a subscription price of ₹617 per equity share including a share premium of ₹607 per equity share, aggregating ₹299.99 million.

*** 8,896,825 equity shares of ₹10 each were issued as fully paid-up shares.

**** 25,162,135 equity shares of ₹10 each were issued as fully paid-up shares by way of Qualified Institutional Placement.

$ 1,759,192 equity shares of ₹10 each were bought back from the shareholders at a price of ₹330 per share.

^1,458,823 equity shares of ₹10 each were bought back from the shareholders at a price of ₹425 per share.

SHARES HELD IN PHYSICAL AND DEMATERIALIZED FORM

As on March 31, 2022, 99.99 per cent of the Company's shares were held in dematerialized form and the rest in physical form. The following is a break-up of the equity shares held in electronic and physical forms:

Description	No. of shareholders	No. of shares	% of equity
NSDL	37,676	82,143,391	86.61
CDSL	50,802	12,702,404	13.39
Physical	6	58	0.00
Total	88,484	94,845,853	100.00

ADDITIONAL SHAREHOLDER INFORMATION

Unclaimed Dividend

Pursuant to Section 124 of the Companies Act, 2013, the amount lying unpaid or unclaimed in the Unpaid Dividend Account of the Company for a period of seven years from the date of transfer of the dividend amount to the Unpaid Dividend Account shall be transferred by the Company to the Investor Education and Protection Fund established by the Central Government.

During financial year 2021-22, the Company was required to transfer to the Investor Education and Protection Fund, the dividend declared in the Annual General meeting held on July 11, 2014. Accordingly, the Company transferred an amount of ₹2,65,314 (Rupees two lakh sixty five thousand three hundred and fourteen only) to the Investor Education and Protection Fund.

The details of the unclaimed dividends along with the names and addresses of the shareholders were published on the Company's website. Individual communication to each of the shareholders who had not claimed the dividend continuously for the previous seven years was sent to their registered addresses. The said details were also uploaded on the website of the Ministry of Corporate Affairs.

The following table provides the dates of declaration of dividend after the shares were listed and the corresponding date when unclaimed dividends are due to be transferred to the Central Government:

Financial year	Date of declaration of dividend	Last date for claiming unpaid dividend	Unclaimed amount as on March 31, 2022 (₹)	Due date for transfer to IEPF Fund
2014-15	July 15, 2015	August 19, 2022	471,037.00	September 18, 2022
2015-16	August 3, 2016	September 4, 2023	144,358.00	October 03, 2023
2016-17	August 4, 2017	September 6, 2024	178,527.50	October 05, 2024
2017-18	August 7, 2018	September 9, 2025	499,254.00	October 08, 2025
2018-19	August 9, 2019	September 11, 2026	399,182.00	October 10, 2026
2019-20	August 7, 2020	September 5, 2027	445,264.00	October 04, 2027
2020-21	August 13, 2021	September 12, 2028	185,898.00	October 11, 2028

Members can claim the unpaid dividend from the Company before transfer to the Investor Education and Protection Fund. Members who have so far not encashed the dividend warrant(s) are requested to make their claim to the Secretarial Department at the Registered and Corporate Office of the Company or send an e-mail to investors@sobha.com.

Unclaimed Equity Shares

In terms of Regulation 39(4) of the Listing Regulations, unclaimed equity shares shall be transferred to an 'Unclaimed Suspense Account' opened by the Company for the purpose and the equity shares lying therein shall be dematerialized with a Depository Participant. The voting rights of such equity shares remain frozen till the rightful owner claims the shares.

Accordingly, the Company has opened a Demat account with Depository Participant Geojit BNP Paribas Financial Services Limited. The following table provides details of the equity shares lying in the Unclaimed Suspense Account:

Financial year	Aggregate no. of shareholders and outstanding equity shares as on April 01, 2021	Number of shareholders who approached the Company for transfer of equity shares during the year	Number of shareholders to whom equity shares were transferred	Aggregate no. of shareholders and outstanding equity shares as on March 31, 2022
2021-22	83 shareholders and 841 outstanding equity shares	-	-	83 shareholders and 841 outstanding equity shares

Allottees who have not claimed their equity shares are requested to make their claim to the Secretarial Department at the Registered and Corporate Office of the Company or send an e-mail to investors@sobha.com

Pursuant to the notification issued by the Ministry of Corporate Affairs, Government of India, the Company has transferred the following equity shares to the designated IEPF's Demat account:

Base year	Number of shareholders	No. of equity shares transferred to IEPF's Demat account
2009-10	175	2,470
2010-11	64	1,550
2011-12	62	1,413
2012-13	45	2,574
2013-14	58	827

GENERAL SHAREHOLDER INFORMATION

Corporate Identification Number	L45201KA1995PLC018475
Registered and Corporate Office	Sobha Limited, 'SOBHA', Sarjapur–Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bengaluru – 560 103.
Date and Venue of the Annual General Meeting (AGM)	Date: 10th August, 2022 Time: 3:00 PM Venue: Pursuant to Circular Nos. 20/2020, 02/2021, 19/2021, 21/2021, 2/2022 dated May 5, 2020, January 13, 2021, December 8, 2021, December 14, 2021 and May 5, 2022 respectively, issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, issued by the Securities and Exchange Board of India, the Annual General Meeting of the Company is ("AGM") is convened through Video Conferencing/Other Audio Visual Means (VC/OAVM) and as such, there is no requirement to have venue for the AGM. For details, please refer to the Notice of AGM.
Financial Year	The financial year of the Company starts from 1 April of every year and ends on 31 March of the following year.
Book Closure	The Record Date is Friday, July 29, 2022 and date of Book Closure is Saturday, July 30, 2022
Dividend Payment Date	If approved by the shareholders at the ensuing Annual General Meeting, the dividend will be paid on or before 8th September, 2022.
Declaration of Financial Results for Financial Year 2021-22	For quarter ending June 30, 2021 – August 14, 2021. For quarter ending September 30, 2021 – November 08, 2021. For quarter ending December 31, 2021 – February 11, 2022. For year ending March 31, 2022 – May 20, 2022.
Tentative Dates for Declaration of Financial Results for Financial Year 2022-23	For quarter ending June 30, 2022 – Second week of August 2022. For quarter ending September 30, 2022 – Second week of November 2022. For quarter ending December 31, 2022 – Second week of February 2023. For the year ending March 31, 2023 –Third week of May 2023.

Correspondence Details of Various Authorities

The Securities and Exchange Board of India	Securities and Exchange Board of India SEBI Bhavan, Plot No.C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400051 Tel: 1800 266 7575 Website: www.sebi.gov.in | www.scores.gov.in

National Stock Exchange of India Limited	National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Tel: +91 22 2659 8100 - 8114 Website: www.nseindia.com
BSE Limited	BSE Limited Floor 25, P.J Towers, Dalal Street, Mumbai – 400 001 Tel: +91 22 2272 1233/4 Website: www.bseindia.com
National Securities Depository Limited	National Securities Depository Limited 4th Floor, "A" Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013 Tel: +91 22 2499 4200 Website: www.nsdl.co.in
Central Depository Services (India) Limited	Central Depository Services (India) Limited 17th floor, P J Towers, Dalal Street, Fort, Mumbai – 400 001 Tel: +91 2272 8658 | +91 2272 8645 Website: www.cdslindia.com
R&T Agents	Link Intime India Private Limited C-101,247 Park, L B S Marg, Vikhroli West, Mumbai-400083. Tel: 022-49186000 Fax Number:022-49186060 Email: rnt.helpdesk@linkintime.co.in

Share Transfer System

Share transfers will be registered and returned within a period of 15 days from the date of receipt, subject to the documents being valid and complete in all respects. Share transfers and other communication regarding share certificates and change of address etc., may be addressed to the R&T Agents as mentioned above.

Commodity price risk or foreign exchange risk and hedging activities

The Company had no exposure in commodities and hence the disclosure is not required to be given. For a detailed discussion on foreign exchange risk and hedging activities, please refer to the Management Discussion and Analysis Report.

Nomination

Pursuant to the provisions of Section 72 of the Companies Act, 2013 read with Companies (Share Capital and Debentures) Rules, 2014, members may file nominations in respect of their shareholdings/debenture holdings:

i. For shares held in physical form, members are requested to give the nomination request to the Registrar and Share Transfer Agents of the Company.

ii. For shares held in a dematerialized form, members are requested to give the nomination request to their respective Depository Participants directly.

E-voting

Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company provides a remote e-Voting facility to the shareholders. The Company has availed the services of Link Intime India Private Limited for providing the necessary e-Voting platform to members of the Company for the ensuing Annual General meeting.

For detailed information on the e-Voting procedure, members may please refer to the Notes to the Notice of the Annual General meeting.

Website Disclosures

Corporate Social Responsibility Policy	https://www.sobha.com/wp-content/uploads/2020/10/158036284320200130.pdf
Vigil Mechanism	https://www.sobha.com/wp-content/uploads/2020/10/153630159420180907.pdf
Code of Conduct	https://www.sobha.com/wp-content/uploads/2020/10/153630161520180907.pdf
Nomination and Remuneration Policy	https://www.sobha.com/wp-content/uploads/2020/10/153630165920180907.pdf
Code of Conduct for Prevention of Insider Trading	https://www.sobha.com/wp-content/uploads/2020/10/157322075120191108.pdf
Material Subsidiary Policy	https://www.sobha.com/wp-content/uploads/2020/10/157345087920191111.pdf
Policy on Related Party Transactions	https://www.sobha.com/wp-content/uploads/2020/10/157344978420191111.pdf
Policy on Determination of Materiality of Events and Information	https://www.sobha.com/wp-content/uploads/2020/10/153630154920180907.pdf
Policy on Preservation of Documents	https://www.sobha.com/wp-content/uploads/2020/10/153630157420180907.pdf
Terms and Conditions of Appointment of Independent Directors	https://www.sobha.com/wp-content/uploads/2020/10/153630451520180907.pdf
Composition of Various Committees of the Board of Directors	https://www.sobha.com/wp-content/uploads/2022/04/Composition-of-Committees-01.04.2022.pdf
Dividend Distribution Policy	https://www.sobha.com/wp-content/uploads/2020/10/153630151720180907.pdf

ADDRESS FOR CORRESPONDENCE

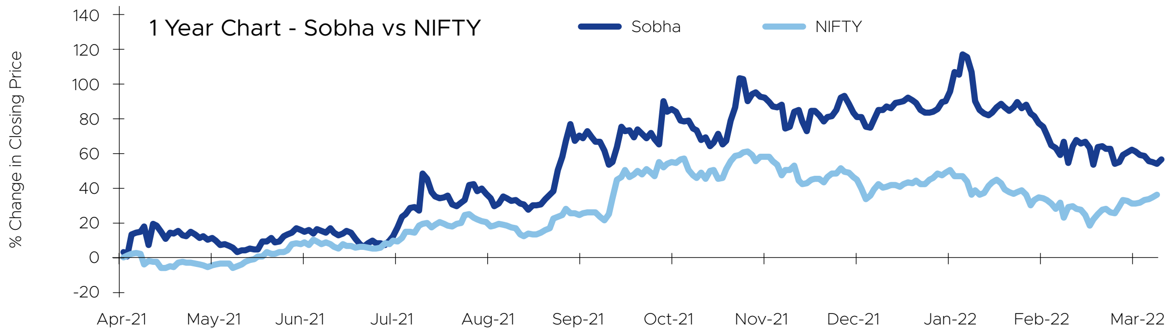
For any queries, please write to:

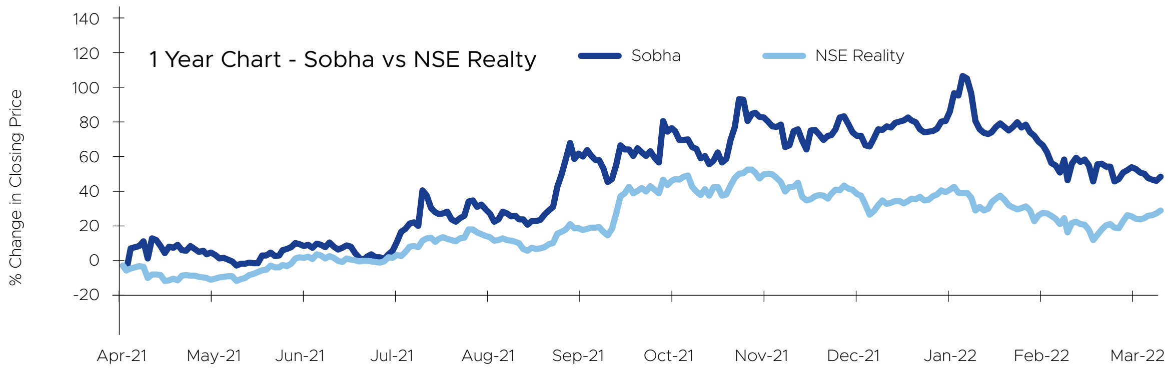
Mr. Vighneshwar G Bhat
Company Secretary & Compliance Officer
SOBHA Limited
'SOBHA', Sarjapur – Marathahalli Outer Ring Road (ORR), Devarabisanahalli,
Bellandur Post, Bengaluru– 560 103
Board Line: +91 80 4932 0000 | Extension: 6024
Fax: +91 80 4932 0444
E-mail: vighneshwar.bhat@sobha.com
investors@sobha.com

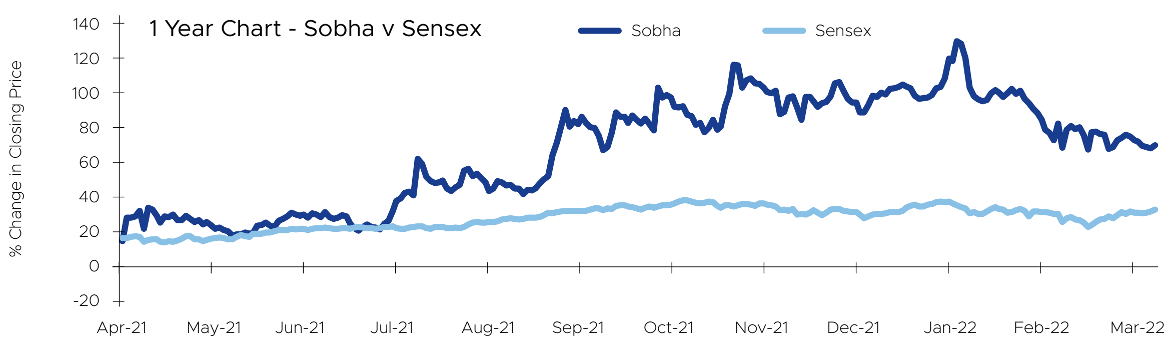
For queries relating to financial statements, please write to:

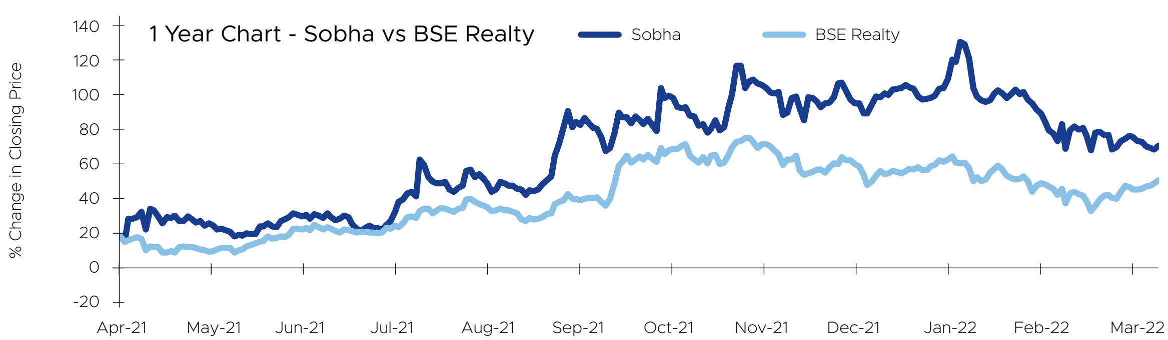
Mr. Yogesh Bansal
Chief Financial Officer
SOBHA Limited
'SOBHA', Sarjapur – Marathahalli Outer Ring Road (ORR), Devarabisanahalli,
Bellandur Post, Bengaluru– 560 103
Telephone: +91 80 4932 0000 | Extension: 5026
Fax: +91 80 4932 0444
E-mail: yogesh.bansal@sobha.com
investors@sobha.com

SHARE PRICE PERFORMANCE

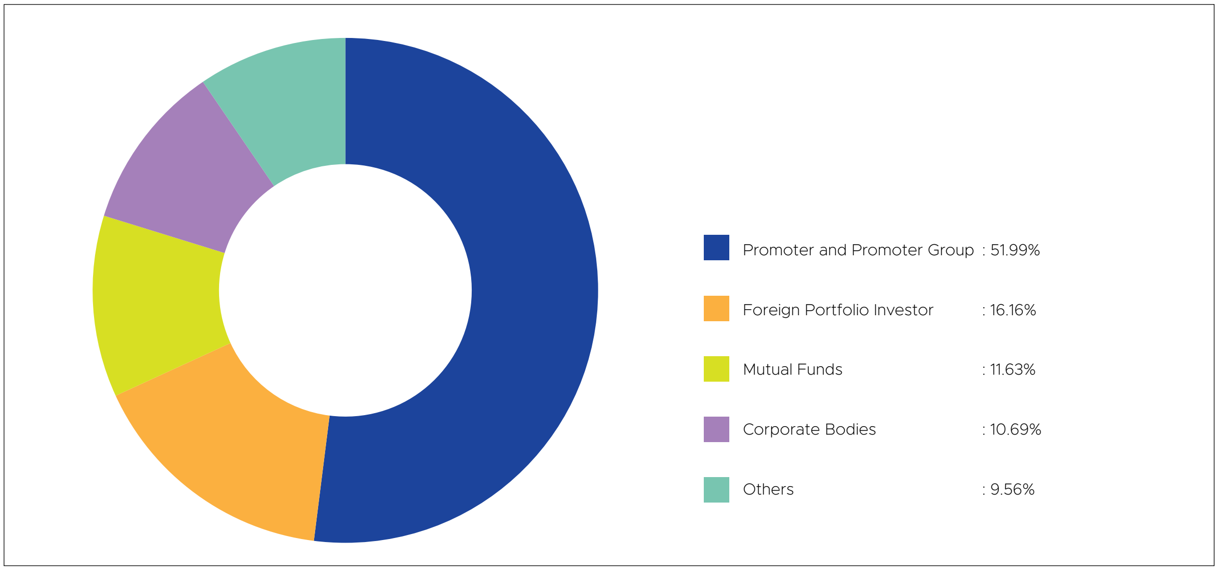








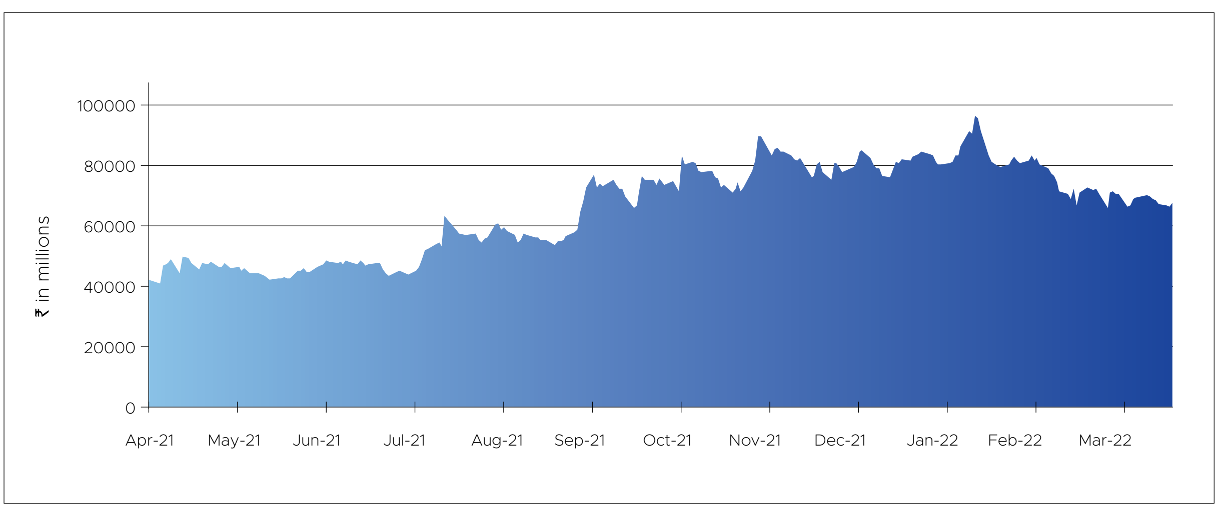
CATEGORY WISE DISTRIBUTION OF SHAREHOLDERS AS ON MARCH 31, 2022



SHAREHOLDING MOVEMENTS

Particulars	No. of Shares as on March 31, 2022	No. of Shares as on March 31, 2021	Change in %
Promoter and Promoter Group	4,93,07,693	4,93,07,693	0.00
FPI	1,53,29,875	1,71,51,312	-1.92
Mutual Funds	1,10,27,306	1,02,55,233	0.81
Corporate Bodies	1,01,43,233	1,00,37,499	0.11
Financial Institutions	170	175	0.00
Others	90,37,576	80,93,941	0.99
Total	**9,48,45,853**	**9,48,45,853**	

MARKET CAPITALISATION



ANNEXURE A

CERTIFICATE PURSUANT TO REGULATION 34(3) AND SCHEDULE V PARA C CLAUSE (10)(I) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Members,
Sobha Limited
SOBHA, Sarjapur-Marathahalli Outer Ring Road (ORR)
Devarabisanahalli, Bellandur Post,
Bengaluru – 560 103.

I have examined the relevant registers, records, forms and returns filed, notices and disclosures received from the Directors, minutes books, other books and papers of **SOBHA LIMITED** having CIN L45201KA1995PLC018475 and having registered office at 'SOBHA', Sarjapur - Marathahalli Outer Ring Road (ORR) Devarabisanahalli, Bellandur Post, Bangalore 560103 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'the LODR'), as amended from time to time.

In my opinion and to the best of my information and according to the verifications (including DIN status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company, its officers and Management Representation Letter of even date, I hereby certify that none of the Directors who were on the Board of the Company as on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any other Statutory Authority.

Ensuring the eligibility of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

I have conducted necessary verification as much as is appropriate to obtain reasonable assurance about the eligibility or disqualification of the Directors on the Board of the Company.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/-
Nagendra D. Rao
Practising Company Secretary
Membership No. FCS – 5553
Certificate of Practice – 7731
Peer Reviewed Unit
Peer Review Certificate No.: 672/2020
UDIN: F005553D000334167

Place : Bengaluru
Date : May 20, 2022.

MANAGEMENT REPORT

MARKETS AND OPERATING ENVIRONMENT

MACROECONOMIC OVERVIEW

Financial year 2021-22 was a year of recovery from one of the most challenging times in human history post globalization. The Years 2020-21 and 2021-22 saw innumerable lives, jobs and growth prospects lost due to the corona virus induced pandemic; the world lost 4-5 % GDP output and the demand-supply situation remained unstable for most part of the year. Just as the world was trying to come to terms with the shocking and sudden losses, it was further impacted by a more fatal second wave of the pandemic across the globe in 2020-21. However, since then, with rapid vaccination drives and supportive well-coordinated efforts by the major economies and their central banks, we managed to chart the economic recovery rather quickly, and by end of Q2 of 2021-22, it was business as usual in India with the stock markets recording their lifetime high in October-2021.

India's GDP recovered from a contraction in the previous year, to record a growth of 8.9% for the financial year 2021-22, and the Reserve Bank of India (RBI) indicates that the growth trend shall continue through 2022-23. However, needs to be well guarded against global macro shocks. At the beginning of 2022, uncertainty rose again in business environment due to spread of a new Corona virus variant. Omicron threatened another round of global lockdowns, but given the less deadly nature of the variant, an already vaccinated population put up a strong resistance and things normalized within a month. As the world was just grappling with this, Russia declared war against Ukraine in February-2022, adding to geo-political tensions. The invasion that led to major disruption in global supply chains, with commodity prices rising significantly and unexpectedly. This in turn resulted in high inflationary pressures across the globe, forcing central banks to tighten their monetary policies and unwind some of the quantitative easing. It led to trepidation and general risk-off sentiments among market participants. Despite these headwinds, the Indian economic outlook is moderately strong, though RBI has lowered its GDP guidance for 2022-23 from 7.8% at beginning of the year to 7.2%.

The unprecedented business environment has pushed companies to innovate, become more agile and nimble-footed, increase efficiency throughout their value chains and look at multiple changes to align to the new normal of conducting business. Indian companies have responded well and shown strong resilience. The last couple of years, with covid induced lockdowns gave a window to catch a glimpse of how the future may look like. Some trends got expedited like penetration and adoption of e-commerce, mobile payments and consolidation in the real estate sector. Companies took new ways of working and functioning remotely to support their business operations – some did better, some did worse. Many of the new trends adopted will continue and some adoption may get pushed to the future. However, one thing is certain that the Covid period has changed the world and way of doing businesses forever.

The Company is overall optimistic going forward. There have been significant improvements in infrastructure and logistics in the country, coupled with the implementation of GST. All these has made it easier for movement of goods and labour. Government policies are aiming at creating more wealth generating opportunities in India and reducing dependency on imports with schemes like PLI, Make in India and the China plus one strategy and efforts to incentivize alternative forms of energy generation. All these seem to be steps in the right direction.

SECTOR OVERVIEW

The Real Estate sector, which contributes about 7% to India's GDP is expected to grow to a market size of USD 1 trillion by the year 2030 and contribute about 13% to the GDP. It is also the sector generating the second highest employment in India, after Agriculture. Naturally, the sector has always been in focus for the Government. It has been an eventful decade for the sector – starting with NGT issues obstructing many approved and under-construction projects in their tracks, followed by demonetization, implementation of GST and RERA, rising input and compliance costs. As the sector was just recovering, the NBFC crisis led to a severe liquidity squeeze and then finally the COVID-19 pandemic arrived putting a question mark on the overall survival of the sector.

The Indian housing sector has shown extraordinary resilience in the face of such a challenging environment, and has emerged much stronger and maturer. It has opened up tremendous opportunities for larger, more organized players with scale and agility to gain market share from their smaller and unorganized counterparts. Scalability is a very critical parameter in times of sectoral consolidation as the larger players are marking substantial increase in their sales volume and geographical expansion plans. Smaller players continue to face operational and liquidity challenges while large players like SOBHA with brand recognition, known for quality products and in-house manufacturing facilities continue to gain considerable market share.

Despite the setbacks during first quarter of FY 2021-22, the realty sector witnessed a revival in the following 2 quarters, and a majority of the organized companies recorded highest ever sales volumes in the year 2021-22. Other than the fundamental robust demand, this was backed by innovative sales and marketing efforts and continuous improvements and digitization of processes. Adoption of digital marketing, site visits through virtual and augmented reality, regular construction updates to the stakeholders by taking photos using drones are a few of the new trends that have come into the industry which was otherwise dependent on in-person visits and meetings thereby increasing customer engagement and slowly bringing back the element of trust in the sector.

Due to above discussed challenges, developers' business margins have been squeezed. With high inventory levels in many cities and most developers struggling to keep above water, turned the sector into a buyer's market. Only very few developers with strong brand names were able to keep up their margins by passing on the rise in input costs.

The Real Estate sector is anticipated to undergo further consolidation. With improved fundamentals backed by robust and steady demand, especially with expedited wealth generation in the IT, manufacturing and start-up sectors, renewed interest in home ownership post-Covid, execution of projects back to pre-Covid levels and companies getting more organized and efficient, outlook is positive. However, further investments may be required in areas of digitization, construction technology and project design to keep up with changing dynamics in today's urban lifestyle which are driving changes in consumer demand. Another critical aspect would be to cut down on the complexity and time taken to get all necessary government approvals for bringing a real estate project to light. That will truly put the real estate sector leaps ahead in terms of agility.

MARKETS OUTLOOK

A. REAL ESTATE

SOBHA is the foremost backward integrated Company in the real estate space. Since inception, we have taken pride in doing things in-house to have absolute control over the quality and timely delivery of products. We continue to be laser focussed on our products above anything else to delight a home buyer and to exceed their expectations has been our constant endeavour, which has given us the recognition and reputation of delivering best quality homes in the market. SOBHA has presence in 10 cities across 6 states. The Company is present in Bangalore, Gurugram (NCR), Chennai, Thrissur, Kochi, Calicut, Coimbatore, Pune, Mysore and GIFT City (Ahmedabad, Gujarat). While the Company is present in major cities in India, it is also constantly exploring new markets like Hyderabad, Noida, Mumbai, Trivandrum.

Despite the challenging environment, SOBHA was able to deliver a considerable operational and financial performance during financial year 2021-22. The Company has witnessed a strong performance across regions and all residential segments that it operates in. New launches with differentiated designs, crafted by our in-house Design studio, keeping in view the fast changes in consumer demand is supporting our business growth sustainably. After working from home for 2 years, many companies are starting to recall their employees. However, the mindset of employees has changed forever. Fence sitters now have renewed interest in

MANAGEMENT REPORT

home owning, putting to rest the Rent vs Buy debate in urban centres for now. Demand is clearly gyrating towards bigger sized units to cater to additional space for specific utilities – like office work, personal Work-out area, Kid's room, permanent maid's room etc. Identifying the behavioural and cyclical trends emerging ahead of the curve and customizing our product offering to suit these requirements will remain our top priority among all our deliverables.

With SOBHA's unique Self-Reliant model, a strong brand name and unmatched execution capabilities, the Company continues to deliver all its projects on time. The Company currently has ongoing real estate projects aggregating 28.52 million square feet of developable area and 19.69 million square feet of saleable area, and ongoing contractual projects aggregating 3.29 million square feet under various stages of construction.

As on 31st March, 2022, Company delivered overall 120.08 million square feet of developable area. Since its inception, the Company has completed real estate projects measuring 63.04 million square feet of developable area and 47.63 million square feet of super built-up area.

During the year, the Company has completed construction activities to the extent of 4.07 million square feet of total developable area and 2.79 million square feet of super built-up area.

BANGALORE

Sobha Limited, based out of Bangalore has its sales volume to the tune of 74% (approximate) coming from the Bangalore market.

In 'SOBHA Dream Acres', we have completed wings 18, 19, 20, 37, 38 and 50 with a total developable and saleable area of 0.68 million square feet and 0.59 million square feet respectively. Construction of the project is carried out using Pre-cast technology. The SOBHA Dream Acres project along with other projects across regions continue to be completed and handed over before stipulated timelines.

'SOBHA Palm Court' with a 0.75 million square feet of developable area close to Bengaluru airport, offers elegant, refined and secluded living surrounded with the luxuries of modern-day pastimes as we have curated top-notch amenities at the clubhouse.

'SOBHA Silicon Oasis' with a 0.62 million square feet of developable area was delivered on Hosa Road, Bangalore – a very upcoming neighbourhood with lot of demand from the close by IT parks. The project offers spacious apartments with luxurious features.

Presently, the Company has ongoing projects aggregating 15.47 million square feet of total developable area and 11.05 million square feet of super built-up area.

The Company launched the following projects in the financial year 2021-22.

- 'SOBHA Manhattan Towers', Bangalore, a luxury project measuring total saleable area of 0.88 million square feet.
- 'SOBHA Brooklyn Towers', Bangalore, under the Development Management model measuring total saleable area of 0.20 million square feet.

GURUGRAM - NCR

SOBHA started its operations in Gurugram-NCR market during the year 2011-12 with the launch of "International City". After experiencing positive feedback for the apartment project, the Company launched 'Sobha City' project in Gurugram. Sobha City is one of the single largest group housing projects in Gurugram.

In the 'SOBHA City', the Company is currently working on 2.92 million square feet of developable area and 2.25 million square feet of super built-up area. In the International City, we are working on 2.54 million square feet of developable area and 1.61 million square feet of super built-up area.

During 2021-22, the Company has completed 'SOBHA City' – Towers A1, B1 and C1, in Gurgaon, NCR and handed over 0.70 million square feet of developable area.

In total, the Company has ongoing projects aggregating 3.15 million square feet of total developable area and 2.04 million square feet of super built-up area, which will be developed and delivered in phases.

CHENNAI

Chennai is known as the automobile capital of India. It is home for the large automobile and auto-ancillary units along with considerable contribution from the IT and ITES sectors.

'SOBHA Arbor', Chennai is a luxury project measuring a total saleable area of 0.29 million sqft. This was launched in the financial year 2021-22. It is envisioned to be a luxurious residential enclave, featuring the very best in Sobha's Sustainable luxury living segment with a beautiful landscapes around the project, the Arboretum, organic gardens, and plenty of aesthetic green features.

'SOBHA Winchester' has 0.70 million square feet of developable area. It is a luxurious project featuring apartments crafted with remarkable attention to detail and feature ultra-modern amenities. This was delivered in Chennai during 2021-22.

Presently, the Company has 3 ongoing projects, aggregating 1.04 million square feet of total developable area and 0.67 million square feet of super built-up area in Chennai.

CALICUT

SOBHA has been operating in Calicut since 2013-14 with its first project of 'SOBHA Bela Encosta', a super luxury villa development. We added 'SOBHA Rio Vista' a super luxury living on a beautiful river side. The extra spacious apartments in the lone tower is nestled in a 3.66 acres of elevated land overlooking the river with acres of greenery and open space.

Presently, the Company has 2 ongoing projects that aggregate 0.98 million square feet of total developable area and 0.70 million square feet of super built-up area.

KOCHI

Kochi is referred to as the commercial capital of Kerala. The City is one of the major port cities in the country. It is one of the rapidly growing cities, and home to a number of technology and industrial campuses such as Info Park, Cochin Special Economic Zone and KINFRA Export Promotion Industrial Park, Smart City at Kakkanad and Cyber City. The Company ventured into the Kochi market in 2013-14 with the launch of 'SOBHA Isle'.

Presently, the Company has 2 ongoing projects aggregating 3.95 million square feet of total developable area and 2.58 million square feet of super built-up area in this market.

THRISSUR

SOBHA entered the Thrissur market in 2007-08 with its landmark project 'SOBHA City', the first Integrated Township in Kerala.

Presently, the Company has 3 ongoing projects, 'SOBHA Lake Edge', 'SOBHA Silver Estate' and 'SOBHA Metropolis' (Phase 1) aggregating 1.50 million square feet of total developable area and 0.98 million square feet of super built-up area.

COIMBATORE

The Company ventured into the Coimbatore market in the year 1998-99 with the plotted development project of 'SOBHA Harishree Gardens' and launched its first Villa development, 'SOBHA Emerald' in 2008-09.

The Company currently has 2 ongoing projects, 'SOBHA West Hill' with 0.16 million square feet of developable area and 0.11 million square feet of super built-up area and 'SOBHA Verdure' with 0.16 million square feet of developable area and 0.11 million square feet of super built-up area.

PUNE

The Company ventured into the Pune market in the year 2007-08 with the project 'SOBHA Carnation', a Super Luxury multi-storied apartment.

We have one project in progress, 'SOBHA Nesara' with a developable area of 0.94 million square feet and a total saleable area of 0.61 million square feet. The project located near the pristine foothills of NDA Hills, offers wide lush greens as a view, a bounty of birdlife and a healthier lifestyle.

GIFT CITY GUJARAT

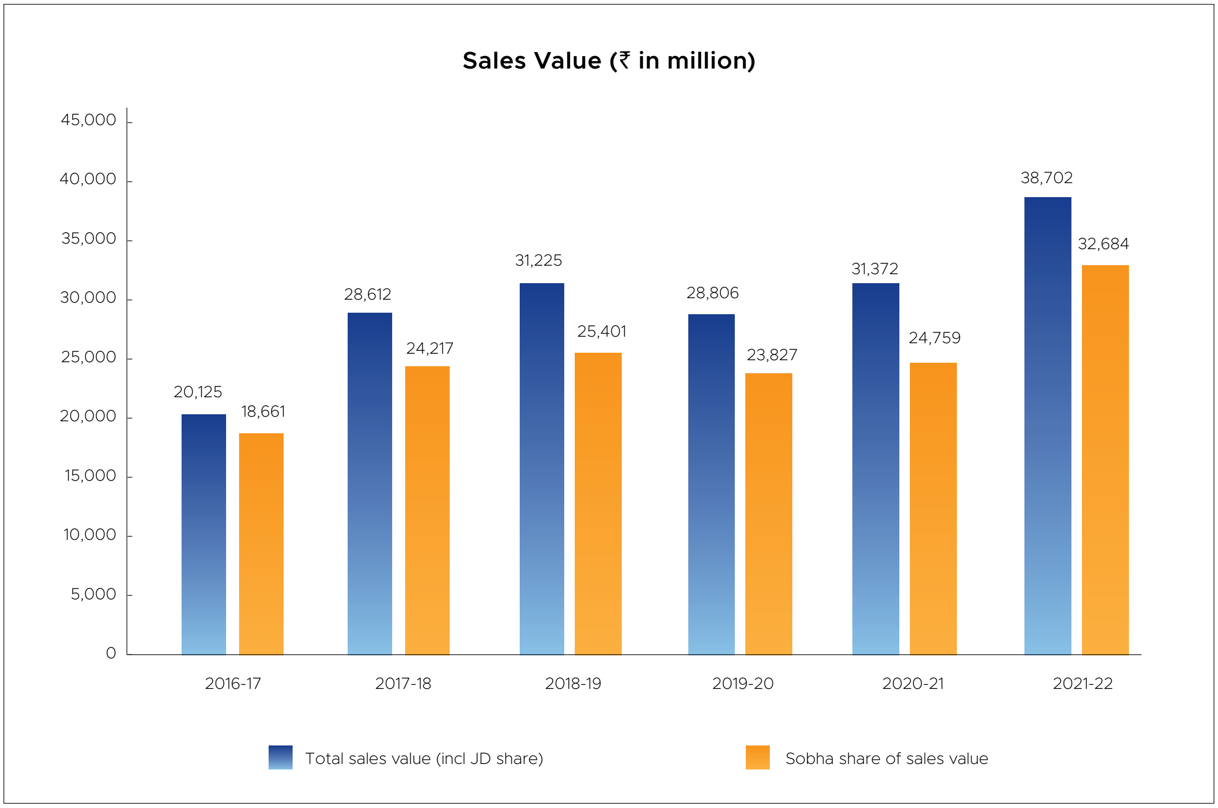
Gujarat International Finance-Tec city (GIFT) – A Global Financial Hub, (GIFT City) is India's first operational smart city. Founded by Prime Minister Narendra Modi, it is a business district promoted by Government of Gujarat through a Joint-Venture Company. The objective behind the set-up of GIFT city is that it aims to tap into India's huge potential for proving financial services by offering world-class infrastructure and facilities to leading global financial institutions and companies.

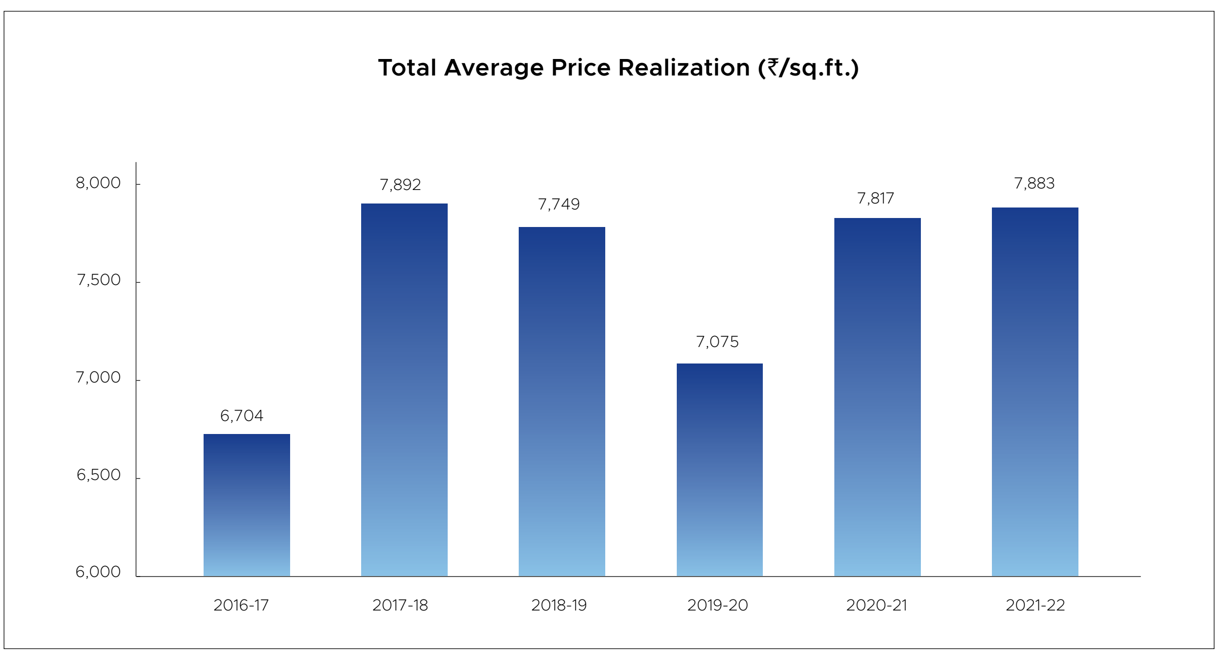
During the year, we have launched 'SOBHA Avalon' at GIFT City, with total saleable area of 0.32 million square feet.

Currently we have 2 ongoing project in the affordable segment - 'SOBHA Dream Heights' with developable area of 0.81 million square feet and super built-up area of 0.52 million square feet and 'SOBHA Avalon' with developable area of 0.42 million square feet and super built-up area of 0.32 million square feet.

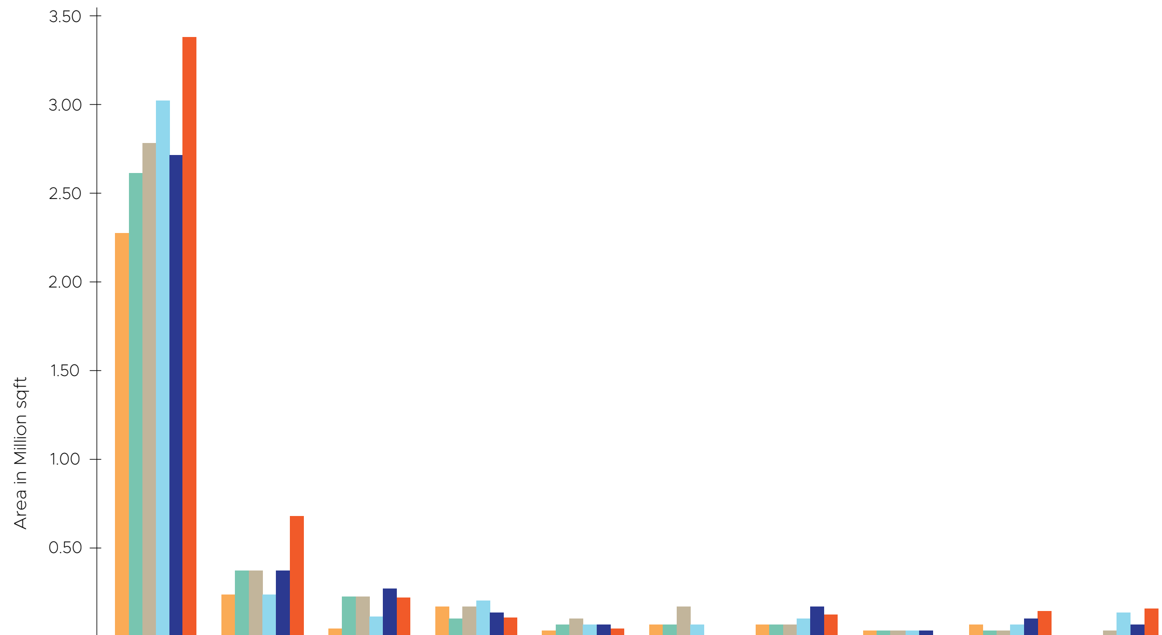
SALES PERFORMANCE:

During the year, SOBHA achieved 4.91 million Square Feet of new sales area which is a worthy accomplishment during the tough operational environment. Total value including Joint development share stood at ₹38,702 million with an average price realization of ₹7,883 per square feet. SOBHA share of sales value stood at ₹32,684 million. This shows that customers trust Brand SOBHA as their preferred choice of quality home.





New Sales (in million square feet)



	Bangalore	Gurugram	Kochi	Chennai	Coimbatore	Mysore	Thrissur	Calicut	Pune	GIFT City
FY 2016-17	2.26	0.23	0.07	0.18	0.03	0.08	0.08	0.03	0.05	-
FY 2017-18	2.60	0.36	0.32	0.10	0.07	0.07	0.06	0.05	0.003	-
FY 2018-19	2.77	0.35	0.32	0.18	0.11	0.18	0.07	0.04	0.01	0.01
FY 2019-20	3.00	0.24	0.15	0.21	0.07	0.06	0.10	0.03	0.07	0.13
FY 2020-21	2.70	0.37	0.40	0.12	0.06	0.03	0.15	0.02	0.09	0.07
FY 2021-22	3.35	0.68	0.24	0.12	0.04	-	0.13	0.01	0.17	0.17

Despite commercial products, SOBHA's prime focus remains on its residential business to generate positive cash flows through speedy delivery and revenue realization and to ensure appropriate investments in the best available opportunities.

B. COMMERCIAL

SOBHA has primarily focused on the residential real estate category since its inception with a sporadic presence in the commercial segment. Although the Company has created some landmark commercial projects like Thrissur's most iconic landmark: the "SOBHA City Mall", the Company's presence in the segment has been relatively limited. Now we have a renewed focus on commercial development with several projects under progress in multiple cities.

As of March 2022, the Company had two commercial malls in this business vertical. First is the 'Sobha City Mall' at Thrissur. It commenced its operations in December-2015. It has a total developable area of 0.44 million square feet with a total leasable area of 0.34 million square feet.

The second offering in this vertical is "One SOBHA" mall, Bangalore with a total developable area of 0.38 million square feet and a total leasable area of 0.23 million square feet. The launch of "One SOBHA" mall in Bangalore signifies our entrance in the city's commercial shopping space. Located in the heart of Bangalore, this commercial development will be a host to the topmost brands in Retail, F&B, Entertainment and Fashion industries. The mall is poised to become Bangalore's next go to destination for shopping and recreation.

C. CONTRACTUAL

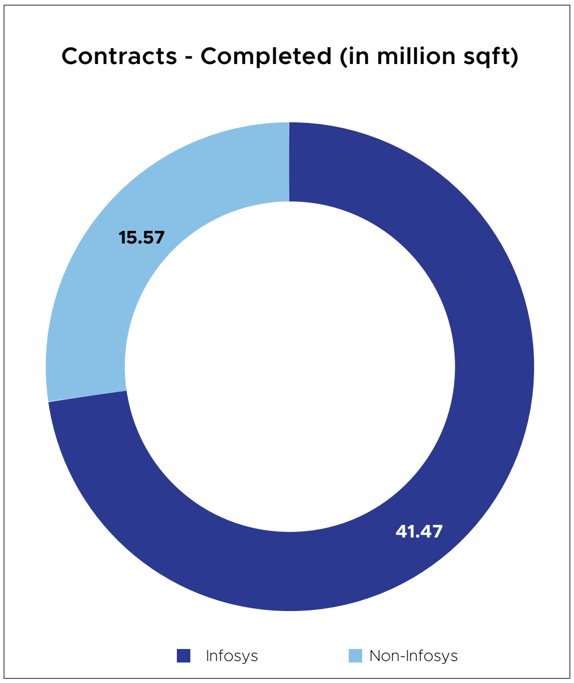
The year 2021-22 was a milestone year for SOBHA's Contracts vertical. Despite the challenges, the Company has competed 3.71 million square feet in the contractual vertical.

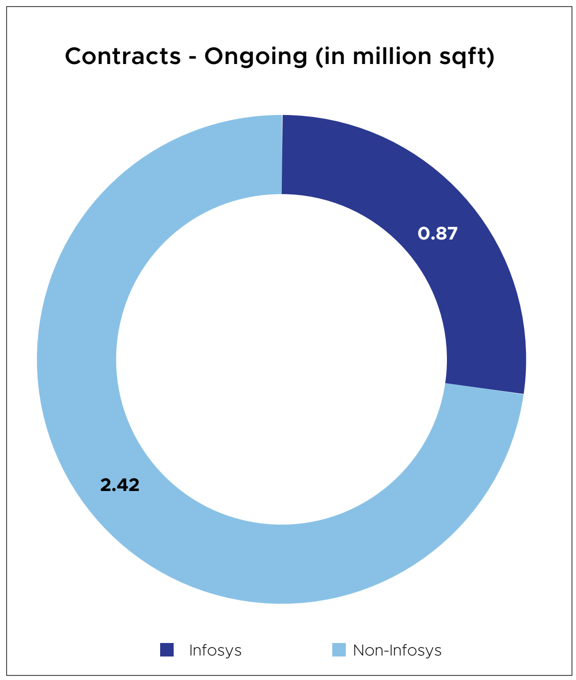
Overall, the Company has delivered 57.04 million square feet of contractual work and we have 3.29 million square feet of area under execution in 6 cities across India.

While SOBHA values long-standing relationships with a few of our select clients which contribute to the scope of our total work done in this vertical, there is emphasis on diversifying the client base and reducing SOBHA's risk-portfolio. We are actively involved in major contractual projects across India helping us with geographical diversity and following a multi-client approach. Our corporate clients include the LuLu group, Biocon, Dell, Bosch, Syngene, Taj Hotels, HCL, Wipro, Infosys, ITC Hotels, Huawei Technologies, Manipal group and GAR Corporation, etc.

SOBHA's ability and capacity to deliver high quality, custom – designed turnkey projects and the domain knowledge to address the tough challenges have gained a loyal customer base for the contract division. In the contractual vertical, SOBHA has a presence in 27 cities across 14 States.

As the Company predominantly operates on a cost plus margin basis, it seeks to expand its contractual operations while preserving its margins.





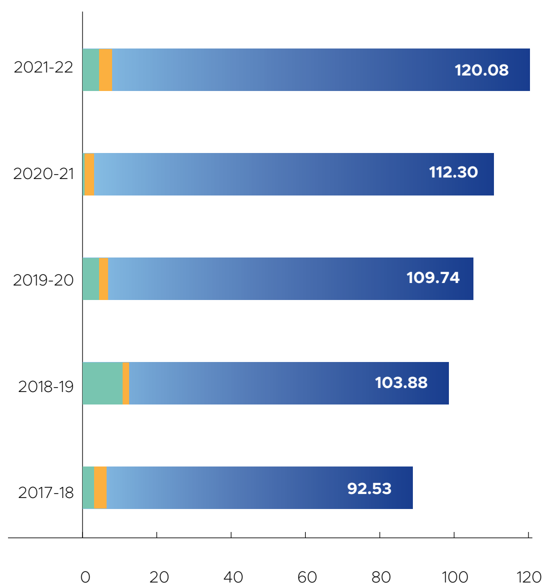
PROJECTS AND WORK DONE

SOBHA has set a benchmark in the industry with its consistent delivery of residential products with top construction quality and aesthetics. This is achieved on the back of a completely vertically integrated business model with a laser sharp focus on products and customer expectations. Over the years, this has been recognized well and has garnered a lot of customer support. Despite the challenges faced this year, SOBHA has delivered 4.07 million square feet of residential and 3.71 million square feet of contractual projects.

I. OVERALL EXECUTION

Overall SOBHA has completed 120.08 million square feet of developable area since its inception in 1995. The Company has been steady in launching new real estate projects and executing new contractual projects. On-going projects are excluded from the purview of overall execution since, on average, a real estate project takes around 3 to 4 years to complete.

Execution Track Record
[Area in million Square Feet]



	Cumulative	Real Estate	Contracts
2017-18	92.53	2.58	3.22
2018-19	103.88	9.75	1.60
2019-20	109.74	3.98	1.88
2020-21	112.30	0.23	2.33
2021-22	120.08	4.07	3.71

II. COMPLETED PROJECTS

The financial year 2021-22 has witnessed the overall completion of 7.78 million square feet of developable area and 6.50 million square feet of super built-up area in Real Estate and Contractual verticals put together.

A. REAL ESTATE

During the year 2021-22 SOBHA has completed 4.07 million square feet of developable area and 2.79 million square feet of super built-up area.

In SOBHA Dream Acres, we have completed Wing 18, 19, 20, 37, 38 and 50 with a total developable and Saleable area of 0.68 million square feet and 0.59 million square feet respectively. Construction of these project is carried out using Pre-cast technology. Sobha Dream Acres project along with other projects across regions continue to be completed and handed over within stipulated timelines.

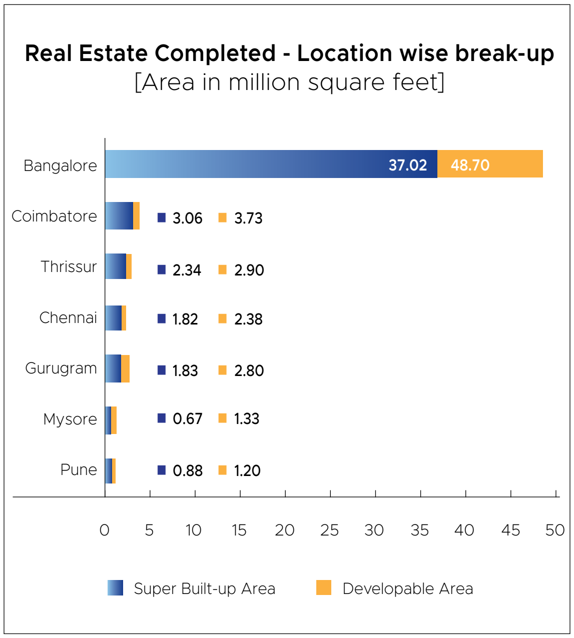
SOBHA Palm Court with 0.75 million square feet of developable area close to Bengaluru airport offers elegant, refined and secluded living surrounded with the luxuries of modern-day pastimes as we have curated top-notch amenities at the clubhouse.

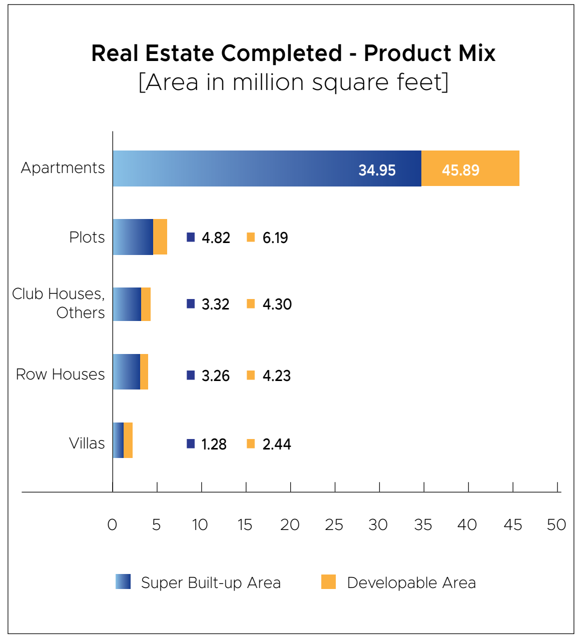
SOBHA Silicon Oasis with 0.62 million square feet of developable area was delivered in Hosa Road, Bangalore – a very upcoming neighbourhood with a lot of demand from the close by IT parks. The project offers spacious apartments with luxurious features.

SOBHA Winchester has 0.70 million square feet of developable area, a luxurious project featuring apartments crafted with remarkable attention to detail and feature ultra-modern amenities was delivered in Chennai.

During the year 2021-22, SOBHA also completed SOBHA City – Tower A1, B1 and C1 in Gurgaon, NCR and handed over 0.70 million square feet of developable area.

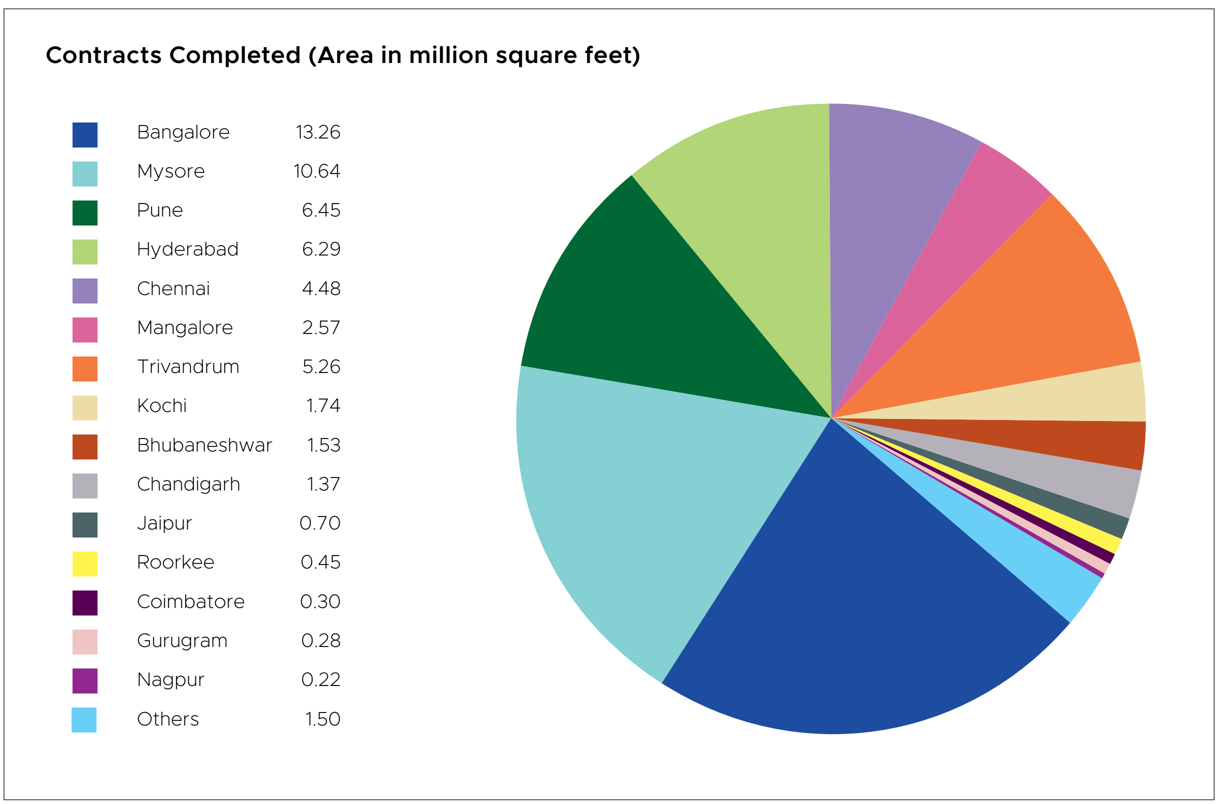
Since its inception, the Company has completed real estate projects measuring 63.04 million square feet of developable area and 47.63 million square feet of super built-up area.





B. CONTRACTUAL

During the financial year 2021-22, the Company has completed 3.71 million square feet spread across 4 cities. Since the start of its operations, SOBHA has completed 57.04 million square feet of area for various clients in 27 cities across India. The company has executed over 41.47 million square feet of area for its single and largest client, 'Infosys'.



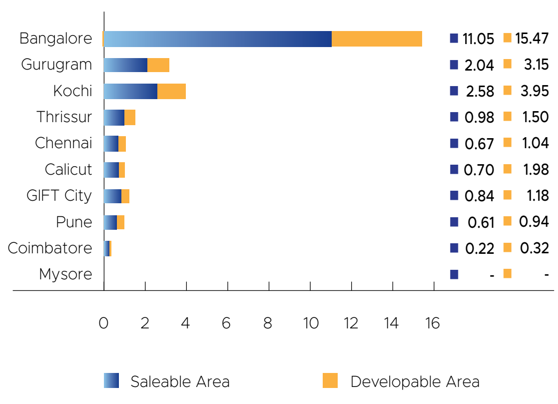
Note: Others include Durgapur, Greater NOIDA, Salem, Baddi, Indore, Kolkata, Ooty, Calicut and Mumbai.

III. ON-GOING PROJECTS

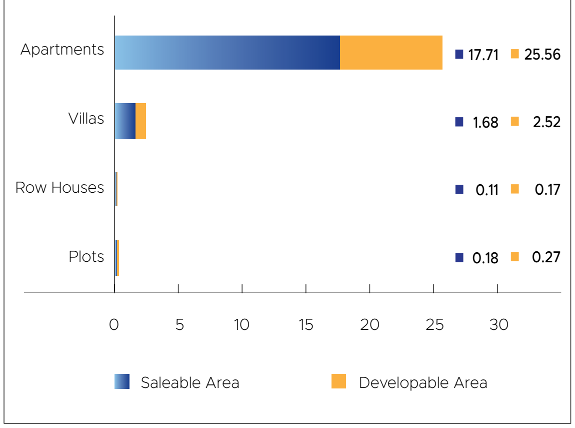
The Company is currently executing 31.81 million square feet of developable area and 22.98 million square feet of super built-up area in real estate and contractual verticals together.

A. REAL ESTATE

SOBHA currently has on-going real estate projects aggregating 28.52 million square feet of developable area and 19.69 million square feet of super built-up area spread across 10 cities.



Real Estate Ongoing - Location wise break-up
[Area in million square feet]

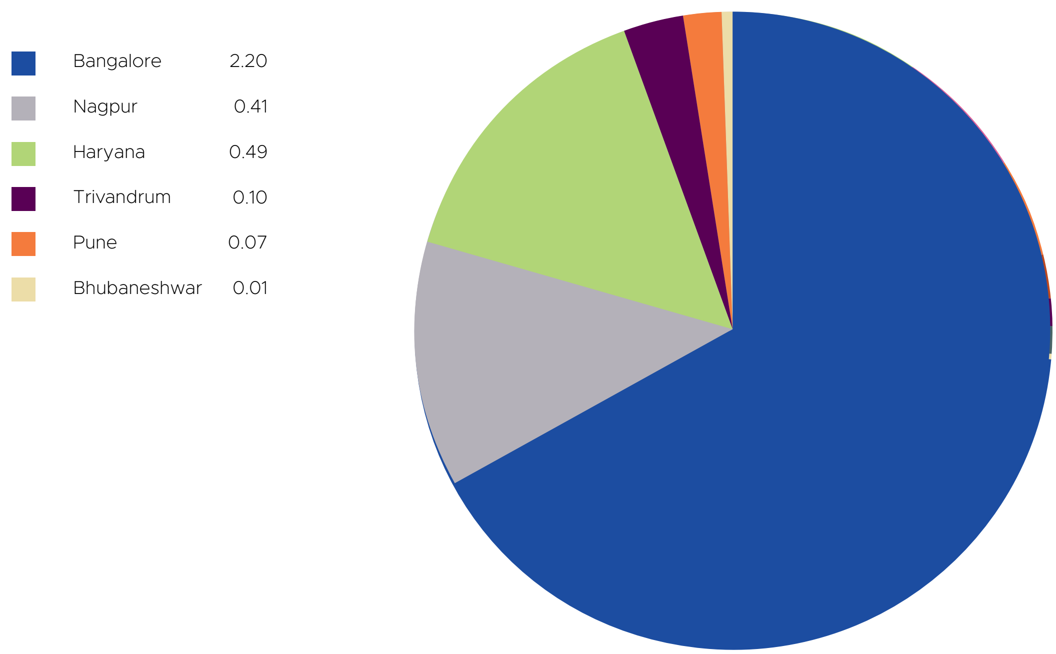


Real Estate ongoing - Product Mix
[Area in million square feet]

B. CONTRACTUAL

SOBHA has on-going contractual projects aggregating 3.29 million square feet spread across 6 cities.

Contracts Ongoing Projects (Area in million square feet)



ENVIRONMENT, HEALTH AND SAFETY

Ensuring a healthy and safe work environment involves developing safe, high quality, and environment friendly processes, working practices, and activities that prevent or reduce the risk of harm to the people working in that environment. It also involves complying with environmental regulations such as managing waste or air emissions for reducing the Company's carbon footprint.

At SOBHA, procedures are in place for identifying workplace hazards and reducing accidents and exposure to harmful situations and substances thus providing a safe work environment to its workers. This includes training employees in accident prevention, accident response, emergency preparedness, and use of protective clothing and equipment.

SOBHA is an ISO 9001, ISO 14001, and OHSAS 18001 certified Company for its quality, environment, and safety management systems.

ENVIRONMENT

SOBHA strives to ensure that its construction, development activities, and real estate operations are environmental friendly. The Company complies with all environmental and occupational health and safety laws and regulations such as the Water (Prevention and Control of Pollution) Act, 1974; amendment 1988 and the rules made thereunder, the Air (Prevention and Control of Pollution) Act, 1981 and the Rules and Orders made thereafter; the Environment (Protection) Rules, 1986; Environmental Impact Assessment Notification, 2006; and Hazardous Waste (Management, Handling and Transboundary movement) Rules, 2008 and the amendment made thereafter, across all its projects wherever applicable. The Company also focuses on minimizing emissions and increasing the use of renewable resources both in its construction activities and during the operations phase in its manufacturing facilities where all attempts are made to keep the carbon footprint low by following the best industry practices.

The Company has installed a pre-cast unit for its construction activities. Instead of using the conventional block work or bricks for its construction activities, SOBHA uses pre-cast elements which come with many advantages. They are fast to make, consume less labour, lead to minimal wastage, and do not need plastering work. These pre-cast elements use minimum resources while also reducing wastage at the same time.

ENERGY SAVING MEASURES

SOBHA practices energy conservation by installing solar panels for lighting common areas and solar water heaters in all its projects. Some of the highlights in its energy saving measures are:

- The SOBHA Glazing factory provided with 225 kW and the SOBHA Interior factory provided with 750 kW roof top solar power plants as an alternate source of energy.
- At the SOBHA corporate office, 90 per cent of the power is wheeled from the solar power plant.
- Around 2.36 million units of solar power were used across SOBHA's facilities which resulted in saving the carbon footprint by 2,000 tons.
- Use of heat pumps and solar water heaters instead of geysers to reduce power consumption.

RAINWATER HARVESTING

Rainwater harvesting is another effort by the Company for addressing the acute problem of water scarcity. Rainwater harvesting has emerged as one of the most viable options for meeting the water requirements of an increasing population. Rainwater harvesting also helps restore depleted aquifers thus enhancing sustainable water yields in areas surrounding SOBHA's project sites.

Rainwater harvesting is done in two ways: through collection tanks for roof-based runoffs and through recharge tanks with recharge bores/percolation pits for land-based runoffs. Wherever feasible in residential projects, even surface runoff is collected in storage tanks and after treatment the water is used for primary purposes further reducing the demand for external fresh water. Water from the terrace runoffs is treated and re-used thus reducing the need for getting water from external sources or extracting groundwater to meet a project's requirements.

SEWAGE TREATMENT PLANTS

SOBHA uses specially designed Sewage Treatment Plants (STPs) to treat the waste water generated in its buildings. The treated water is used for secondary activities like flushing toilets, watering the landscape areas, cleaning the common areas, and at construction sites for dust suppression. The STPs help reduce a project's consumption of fresh water in its various activities.

STPs use a hybrid technology – the Activated Sludge Process (ASP) – Extended Aeration System (EAS) or Sequential Batch Reactor (SBR) followed by the Ultra Filtration (UF) technology for enhancing the quality of the final treated sewage. This process conforms with the standards set by the Pollution Control Board.

Acoustic enclosures are being provided for air blowers to mitigate noise pollution that can possibly be caused in the vicinity. Ozonators are being provided at STPs' exhaust and fresh air ducts to remove odour and also improve the quality of air for the operators working inside the plant room. Air curtains are also provided at the STPs' entrance to prevent the odour from escaping into the open area. The Company has regular educational programmes for its construction workers on the do's and don'ts of using natural resources. The Company also constructs dedicated STPs for camps where the construction workers stay.

ORGANIC WASTE CONVERTERS

The Company has been successfully using Organic Waste Converters (OWCs) across all its projects in India. It is mandatory to use solid waste management plants during the operational phase of all projects. The integrated solid waste management system operates on the principle of the 4Rs - Reduce, Re-use, Recycle, and Recover.

Waste is segregated at the household level into organic/inorganic waste and collected in separate bins. Organic waste is converted into compost using Organic Waste Converters. The compost is used as organic manure for the landscape and plantations at project sites. Inorganic waste is given to authorized waste recyclers for further processing.

Air curtains are provided at the OWC rooms' entrances to prevent the odour escaping from the OWC rooms into the open area. Fly catchers are provided to prevent houseflies, insects etc. from entering the OWC rooms. A weighing scale is provided in the OWC rooms to track the quantity of organic waste generated at the project site.

Organic waste generated in and around the projects during the construction stages is diverted to nearby piggery farms and the local municipal corporation while the inorganic waste is handed over to authorized waste recyclers. All these efforts help the Company in restoring eco-sanitation wherever it works.

WATER TREATMENT PLANTS (WTP)

For ensuring safe and healthy drinking water, SOBHA provides treated water with Pressure Sand Filters and Reverse Osmosis units in all its projects. The RO treated water is provided at one point in the kitchen for drinking, while water for non-potable domestic purposes is supplied after basic treatment.

LABORATORY FACILITY FOR WATER TESTING

The Company has a functional chemical laboratory and a microbiological laboratory at the SOBHA Academy to analyse water samples for physicochemical and microbiological parameters. This laboratory is managed by qualified personnel and equipped with instruments like the pH meter, DO meter with probe, COD reactor, spectroflex meter, BOD incubator, centrifuge, a water distillation unit, laminar flow, biological incubator, electron microscope, digital colony counter, and autoclave which are essential for ascertaining the quality of the water from physicochemical and microbiological points of view.

HEALTH AND SAFETY

Safety is integrated in SOBHA's core processes to help inculcate the values of health and safety among its workforce. The Company strongly believes that Environment, Health, and Safety (EHS) are an integral part of our day-to-day activities at the workplace. Continuous efforts are made to raise awareness and understanding about the value of safety and health programmes across the spectrum including the management and workers. A systematic approach at finding and fixing hazards in the workplace form a part of these programmes.

The EHS management system at SOBHA is effective as it is partnered by an effective leadership and owned by every employee of the Company. This shows a demonstrably strong commitment to Health, Safety, and Environment from the top management in implementing industrial best practices and achieving the Company's goal of zero accidents by. The Company has also:

- Revised hard barricades with wingnut design instead of usage of shuttering materials.
- SOP made for all the building shafts including design changes for pan-India projects.
- SOP for Material Hoist Unloading Point.
- H Frame Materials Lifting and Lowering Mechanism Half SRP design.
- Bar Bending Machine Design changed for smaller bars bending purpose.
- Power Tool Angle Grinder guard design modified for critical activities.
- Eye Anchor and Swivel Clamp for Scaffold, revised and retested.
- Heavy Equipment and Machineries statutory Inspections and Implementation.

COVID-19 RISK REDUCTION MANAGEMENT

- CDRRM - Covid 19 Disaster Risk Reduction Management implemented at Projects and workmen colonies pan-India from 2019.
- COVID 19 Abstract pan-India Projects monitoring system on daily basis (total workmen, number of tested, number of positive cases, active cases, and recovered numbers).
- Made 2nd Vaccination mandatory for entering the site and completed 100% achievement pan-India Projects.
- Implemented a system to monitor the projects and activities on a daily basis through Virtual Audits, Zoom Meetings, and WhatsApp video calls.

NEW PRACTICES AND THEIR IMPLEMENTATION

All the safety documents, check lists, and procedures were revised and updated during the lockdown specifically in the following areas:

- QST home page application designed and live in status.
- LOTO (Lockout Tagout) system implemented for all electrical panels, pumps, DG, hoist, and other equipment.
- The safety health tag system implemented for all power tools.
- Earth pits' values display and standard board/stickers installed.

ACHIEVEMENTS

FY 2021-22: There were only six accidents with 40 million manhours in pan-India projects.

FY 2021-22: SOBHA City Thrissur recognized as India's first Net Water Positive (Platinum) rating under the Net Zero Water Rating System by the Indian Green Building Council (IGBC). The project has set a benchmark by meeting 100 per cent of its fresh water requirements through rainwater (artificial lake), while water for landscaping is obtained through STP treated water with no dependence on ground water or any alternate source. Around 20 per cent excess rainwater from the project is given back to nature.

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) takes on a whole new meaning at Sobha Limited, the only backward integrated real estate player in the country. CSR at SOBHA Group is a sincere devotion that stems out of genuine concern and drive to provide comprehensive and sustainable social development to rural India. It is in this context that SOBHA, under the aegis of 'Sri Kurumba Educational and Charitable Trust (the Trust)', initiated Graamasobha, a unique social developmental initiative for Vadakkenchery, Kizhakkenchery and Kannambra grama panchayats in Palakkad district of Kerala in 2006.

The Trust has identified nearly 4,525 families (around 17,311 people) from the Below Poverty Line (BPL) bracket. The families have been adopted through an in-depth scientific poverty mapping called Social Empowerment Mapping Exercise (SEME). Beneficiary identity cards were issued to the adopted families. As a result, the Trust has detailed and authentic data about each beneficiary and his or her individual requirements. Based on the data, the Graamasobha model was developed. The lives of thousands of underprivileged citizens are getting positively transformed through this growth model, which has a bottom-up approach towards poverty alleviation.

The beneficiary families have been selected through an in-depth scientific poverty mapping called Social Empowerment Mapping Exercise (SEME) with the following objectives:

- To identify and enlist genuine beneficiary families from the three panchayats (6 villages) using clear-cut norms and terms.
- To generate qualitative and multi-dimensional 'Baseline Reports' on the target families, so that specific programmes and activities could be implemented for their benefit.
- To devise target-based, area-specific empowerment programmes and activities for key human development verticals like education, health, employment, housing, etc.
- To design an effective mechanism to measure and monitor processes and the pace of the empowerment programmes of the Trust.

Mainly Sobha's CSR activities focus the following areas:

- Providing education
- Providing healthcare facilities
- Looking after the aged and others in need

This is the seventeenth of year of our social reasonability activities and programmes in the project area in the Palakkad district of Kerala. During this period, tremendous changes have taken place in the lives of the people in which among many others, the Trust, on behalf of the Company, could play a pioneering role in championing the cause of social empowerment of people at the bottom of the society by making available quality life-building resources, facilities and services.

In this social engineering process, education has been the core premise on which we undertook most of our activities and programmes in an institutional format and we are successful to a large extent in revamping the educational narratives in this otherwise backward district of the state. The role being played by The Sobha Academy and Sobha Icon in the education of the masses of the three panchayaths is irrefutably inspiring. So is the impact of Sobha Health Care in taking care of their primary health. They together stood solid, sharing and caring, during the pandemic telling better days are ahead.

SUMMARY OF THE CSR ACTIVITIES:

The Sobha Academy and Sobha Icon, schools operated by the Trust have largely protected the students against three successive waves of the pandemic which disrupted normal educational systems and practices. The Trust could successfully frame its own teaching and learning management strategies to provide uninterrupted learning opportunities to students. This is visible in the academic results of the class 10th and 12th exams.

The Trust has incorporated the hybrid teaching and learning pedagogies and will continue elaborating this to take the most out of this in the future. Our schools have become resilient and responsive, two hall marks of good institutions. Further;

- Caring and sharing has become relevant in pandemic world and also at Sobha Health

Care and Sobha Hermitage, our institutions for the aged and patients.

- The pandemic has denied us the opportunity to conduct one of our most direct community ventures- the social wedding. However, we could continue supporting the poor seniors at Moolamkode with food kits amidst the crisis.
- Full Covid vaccination of all employees, teachers and students also completed during the period.

The CSR activities are provided below in detail:

1. THE SOBHA ACADEMY

The SOBHA Academy was started function from June 2007 to provide world class education to children from the poor families to achieve them social and economic mobility in life through education in the long run. Admissions are monitored to ensure that only the deserving are given access to the free and quality education. Shortlisted students undergo a medical fitness test and the final selection of students is done through an open draw. Every year 90 girls are admitted to LKG through the process of drawing lots. The Academy, which follows the CBSE curriculum, provides all academic and related cost on fees and books, transportation, food, healthcare and the like free. During 2021-22, 1,129 students from Vadakkencherry, Kizhakkenchery and Kannambra panchayats are on the rolls from LKG to Class 12.

The students studying in the SOBHA Academy are given high quality education backed by advanced technology. In an attempt to help these children even more during the pandemic, both online and offline classes are offered to them. Free transportation is provided to all students who are willing to attend classes conducted in the school.

It is remarkable that the SOBHA Academy's 3rd batch of Class 12 bagged 100% success in the CBSE examinations with high marks. Most of our student's names were found in the merit lists of the reputed colleges in Kerala. Besides, few students have entered famous universities in the country, namely, Ashoka University Delhi, Azim Premji University Bengaluru, KREA University A.P. etc.

The SOBHA Academy's 5th batch including 34 boys and 40 girls of Class 10 bagged 100% success in the CBSE examinations.

The quality of the students pursuing higher education in various reputed universities in the country after passing the higher secondary education from the SOBHA Academy, bears testimony to the excellent training it has been providing since its inception. A good number of students crack the entrance examinations such as NEET, JEE and KEAM every year.

Online education at The SOBHA Academy during pandemic:

In light of Covid-19 pandemic, our regular services have been suspended for an indefinite period. In order to ensure the cognitive and affective development of young learners and avoid the ill effects of prolonged lack of quality instruction on the overall development of learners, the school is employing a variety of digital tools in a coherent fashion. The School is now able to remotely provide the students with all core classes that are mandatory in CBSE curriculum. Transition to remote teaching and learning has been challenging but also refreshing; faculty and administrative staff have treated it as an opportunity to collaborate and employ their collective creativity, skills, and knowledge to address novel challenges.

Regular schooling at The SOBHA Academy during pandemic:

The Kerala Govt.'s announcement to re-open the schools on 1st November, 2021 was wholeheartedly received by The Sobha Academy as a sign to ameliorate the risk of loss of educational opportunities for all its students.

Distribution of food kits and recharging of mobile phones:

Owing to persisting pandemic the Trust has been distributing free food kits to 974 numbers of students from LKG to 9th standards of the SOBHA Academy every month. To make the online learning more convenient and efficient mobile phones were distributed to the students.

Awards and Recognition:

The SOBHA Academy bagged the prestigious Indywood Excellence Award 2021 for leadership in education. It also bagged the overall championship in India in the 5th edition of Indywood Talent Hunt, a premiere talent discovery platform organized by Project Indywood with an outlook to identify the young talents from India and UAE.

2. SOBHA ICON

Introduction

Sobha Icon, a social empowerment education, a CSR initiative of Sobha Ltd, has brought wonders to three otherwise lesser-known panchayats in Kerala's Palakkad district by sending their children for education to premier centres of learning across the country. Icon is an illustrative case for educational policy makers about what happens to students from disadvantaged families, when quality educational resources, facilities and services are provided in a sustained manner by a committed team with a sense of purpose.

Icon has designed a replicable model for driving students towards personal excellence.

Icon was started on 28th June 2010 as a constructive step towards improving academic performance and communication skills of students in our CSR area. It has three segments :

(1) a Comprehensive Academic support Programme for high school students (8th-10th);

(2) an intensive higher secondary education course (11th -12th) for college enrolment and

(3) a Mentoring programme for UG studies.

Icon is not an affiliated school but a teaching and learning centre that functions within the scope of Kerala State Council for Open and Lifelong Education. Students are provided with books, uniforms and food in addition to regular tuition classes by qualified teachers. Students undergo a series of personal development activities along with their studies. Students are exposed to real world life and are motivated to pursue higher goals. There are no failures so far. In fact, it has a consistent record of academic excellence and cent per cent college enrolment.

Despite difficulties, Icon has satisfactorily completed the teaching and learning activities and programmes during the year as in the previous year. All students passed and got full UG enrolment too in various colleges this year. All teachers and students completed their required dozes of vaccination.

3. SOBHA HEALTH CARE

Sobha Health Care was established in February 2007 to provide Primary Health Care facilities to the residents of Sobha Hermitage, students of Sobha Academy and identified BPL families of Kizhakkenchery, Vadakkencherry and Kannambra Panchayaths of Palakkad District at 100% free of cost.

The hospital has the following facilities:

1. Cardiac and Pulse Oximetry
2. Centralized Oxygen, Suction provision
3. 3 and 12 Channel E.C. Gs
4. Digital Ultrasound Scanning System and ECHO Test
5. 300 MA X-Ray with computerized Radiology (CR)
6. Laboratory with Automatic Haematology and Bio-chemistry Analysers
7. Minor Operation Theatre
8. Pharmacy
9. Ophthalmology Department with Automatic Digital Equipment, Auto refractometer, Slit lamp, indirect ophthalmoscope and direct ophthalmoscope.
10. Dental Department with Ultra-Modern Unit with PLANMECA RVG Unit, Intra Oral Camera, Fibre Optic Twin Beam Micro Motors.
11. Physiotherapy Unit with Short Wave Diathermy, Ultrasound Therapy, Interferential Therapy, Traction Unit (Cervical and Lumbar), TENS, Wax Therapy and Portable TENS.

The following beneficiaries avail free healthcare facilities under Sobha Health Care.

- Residents of Sobha Hermitage.
- Students of The Sobha Academy, screened once a year for medical/ophthalmology/ dental care.
- Families Below the poverty line in the three selected panchayats of Vadakkencherry, Kizhakkenchery Kannambra, who have been given identity cards.
- Families from ward 19 of Vadakkencherry Panchayath.
- Sri Kurumba Educational and Charitable Trust Staff.
- Project workers.
- Family Members of the Trust Staff.

In total 9,899 outpatients were treated during the year 2021-22 under SOBHA Health Care.

4. SOBHA HERMITAGE

The focus of SOBHA's CSR activities is equally on the aged. Besides the young, the Trust also firmly believes in looking after the elderly. SOBHA Hermitage, which was set up with the specific aim of providing shelter and assistance to elderly from weaker sections of society, has now become a home for senior citizens and young widows and their children. Besides providing residents a roof over their head, SOBHA Hermitage also makes sure that they are provided all necessary amenities to lead comfortable lives. Residents have independent rooms, a library and a common television room, a gym and also internet access. All residents can also avail of round-the-clock medical facilities, including overnight which are provided by paramedical staff; there is a doctor on call during non-working hours. The Hermitage also has an in-house clinic.

5. OTHER PROGAMME AND ACTIVITIES

SOBHA YOUNG MOTHERS REHABILITATION PROGRAMME:

A rehabilitation package for the young mothers (widows) living in the Hermitage is in operation. There are 10 young mothers and their 14 children living at the young mother's quarters. Special arrangements are in place for their living, safety, security and welfare at absolutely no cost. The widowed mothers and their children live together. All mothers have been encouraged to continue their education and many have completed their graduation and others are catching up. All are employed at the Academy with good remuneration which they can save. One of the young mothers obtained Post Graduation and is employed as a qualified teacher. For those young mothers whose children have grown up, individual self-contained flats have been constructed and allotted for each family. They are provided with vegetables, provisions, fruits, milk and dresses free of cost. Support is also provided if they want to get remarried. It is remarkable that, 7 young widows have been remarried with the support of the Trust.

SOBHA RURAL WOMEN'S EMPOWERMENT PROGRAMME:

Thirty-five widowed mothers and their 63 children from the Vadakkencherry and Kizhakkenchery panchayats are being provided with a monthly living allowance besides clothing, medical and some personal accessories. Their children's educational expenses too are met by the Trust. This programme is being reviewed with a view to further strengthen it.

SOBHA DOWRYLESS SOCIAL WEDDING PROGRAMME:

The social wedding programme is a constructive approach to tackle multiple issues of dowry and destitution. So far, 647 girls from economically and socially weaker section of the society have been married off under the aegis of the programme "Dowry free social wedding". The girls and parents are given pre-marriage counselling and the Trust also does post-marriage monitoring and renders help as may be needed. Marriages couldn't be conducted during the past two years due to the pandemic.

SOBHA COMMUNITY CENTRE:

The Community Centre hosts various community mobilization programmes including medical camps, orientation and training classes and social weddings. The Centre also comprises of a dining hall that has a seating capacity of 300, where several poor people are fed twice free of cost every day. During 2021-22, due to the COVID-19 restrictions, the Trust provided food kit to the destitute, every month, in lieu of providing free meals.

SOBHA GREENING AND SUSTAINABILITY PROGRAMME:

SOBHA's green philosophy of development is widely accepted across the spectrum. Akin to that, several green initiatives are underway in the CSR project areas also. The entire campus was constructed with minimum carbon footprint and without making much change to the natural surroundings. Large-scale rain harvesting methods and processes are put in place, planting of more than 3000 trees and herbs and preserving the existing flora and fauna to the extent possible has been undertaken. The Trust has also very large waste management plants in place to process the waste generated here. All the CSR project campuses are a plastic free, no-smoking and non-alcoholic areas, thus striving to achieve sustainable lifestyle. The power laundry at Sobha Hermitage is runs on steam generator by a boiler to conserve the electrical energy. The Trust has also installed a solar energy plant. SOBHA also provides support to other green attempts like maintaining a community pond. This is being vigorously pursued during the period under review.

Trust is cultivating vegetables, fruits and paddy at Moolamkode, Anakkappara and Mangalam for inhouse use. During 2021 - 22, around 2,000 kg of paddy and 4,600 kg of organic vegetables and fruits were produced.

RESEARCH AND DEVELOPMENT

Research and development activities at SOBHA contributed a considerable quantum in its successful business and has ensured that the Company remains competitive in its product mix. SOBHA uses an in-house virtual application and idea space to encourage employees to submit ideas for process improvements and simplification of the process mechanisms. These ideas are divided using four broad parameters: quality, feasibility, safety, and customer orientation. The suitable ideas are implemented across projects for improving the Company's business practices.

During financial year 2021-22, R and D's focus was on process improvement. This is much needed as it contributes to SOBHA's strength and helps it retain its self-reliant nature while providing best in class products to its consumers.

In 2021-22, the following areas were explored to make SOBHA's product mix better than the competition's.

1. UPVC WINDOWS AND DOORS

UPVC windows and doors are used as an alternate material to aluminium. The UPVC has got high insulating properties both for thermal and sound. It has great aesthetic appearance and has lesser sound during operations.

2. ABS SQUARE AND LINEAR DRAINS

ABS or acrylonitrile butadiene styrene material drains are used in the wash areas.

The drains have good strength and are resistant to chemical corrosion and rusting. These are available in various colours and give a neat look. They are used for enhancing aesthetics.

3. WATER METERS

Introduced a smart water metering system for effective monitoring of individual flat's water consumption thus promoting water conservation.

4. MODIFIED CLAY MATERIAL (MCM) TILES

MCM tiles having thickness of 2.5 mm are used for external cladding in high rise buildings. These tiles are lightweight and flexible. They also improve the aesthetics.

5. POLYPROPYLENE (PP) TILES SPORTS FLOORING

PP tiles are used in sports flooring. These tiles are resistant to weather conditions. The open surface structure allows immediate drainage of water even after heavy rains. The material is UV protected and has better surface grip.

6. CONCRETE PRODUCTS

- Developed a high-end superplasticizer for in-house use for paver and block manufacturing.
- Made some inroads into developing green technologies for block making which will be as per international practices for adopting low carbon technologies replacing cement.
- New innovative product development has been taken up as per customer requirements in paver blocks.

EMPLOYEES

We have strived to make our business a good place to work. Our employees' health and well-being has been our priority. We have fostered a fulfilling work environment which offers exciting career growth opportunities. We treat our employees with mutual trust and fairness and make them feel engaged with our values and principles. Our talent development processes helps create and strengthen the capabilities of our human capital to deliver critical outcomes on operational efficiency and productivity. Our strong employer equity has enabled us to attract high quality talent. We continue to draw the finest talent available within the country and to enthuse talent with high impact roles, learning opportunities and employee centric work atmosphere that promotes commitment and fellowship within our teams.

SOBHA's organisational strength as on 31st March, 2022 was 3007 employees as against 3061 as on 31st March, 2021.

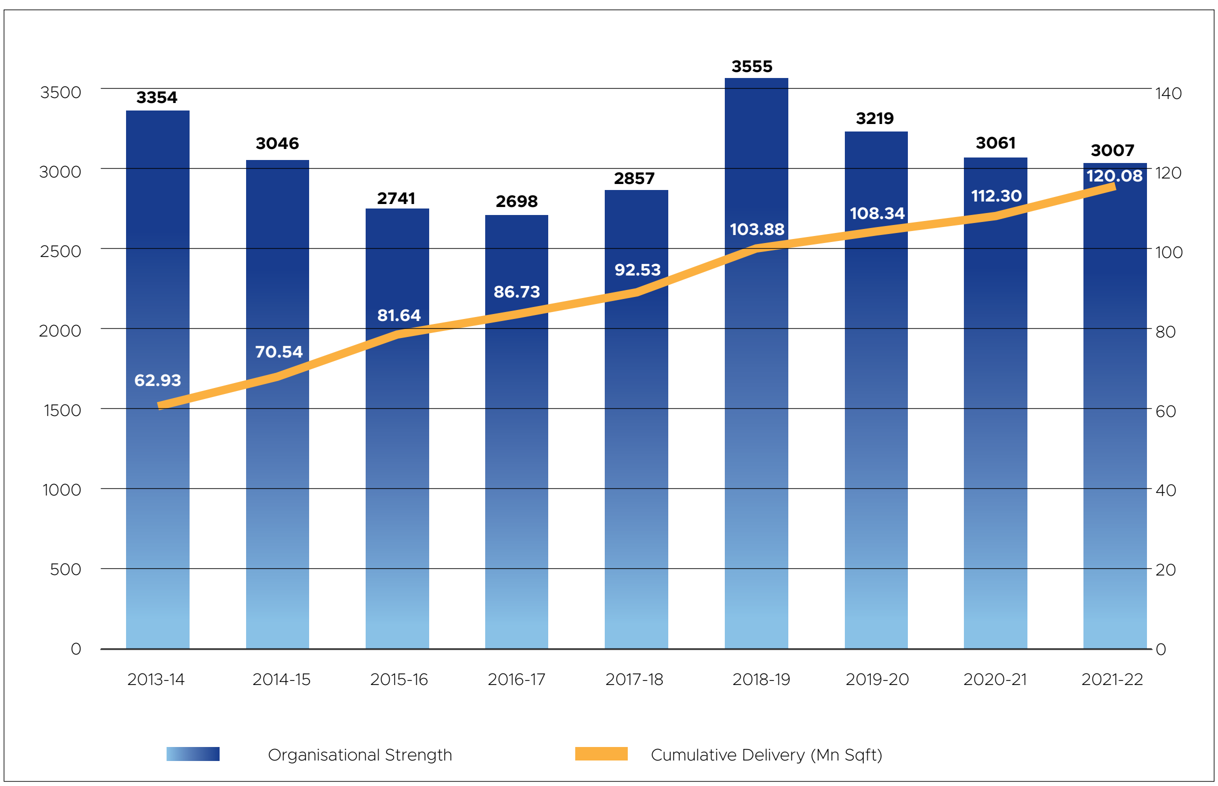
TRAINING AND DEVELOPMENT

Training and developing employees is a must for any organization to be successful. This can be done through ensuring that the employees' skills, abilities and knowledge are constantly updated both to meet world standards and also to satisfy discerning and demanding customers' needs. Training also helps employees move up in their career paths and helps them take on more responsibilities. SOBHA too benefits as a Company through this training as it helps it to plan succession roles, address the challenges of changing technologies and opens up the possibilities of widening the scope of the work that it does.

At SOBHA, the organisational training and development plan includes in-house and external workshops/seminars as per need.

The trainings provided to employees has resulted in boosting productivity, increasing employee satisfaction, fostering organizational learning culture, creating a safe working environment and

A comparative table depicting the employee strength as against the cumulative delivery is given below:



MANAGEMENT REPORT

the upgradation and updation of technology. It has also led to improvements in leadership and management skills and quality, higher productivity and the resultant optimum ROI.

Training at SOBHA is broadly divided into Technical, Behavioural and Adhoc (mainly sales).

TECHNICAL TRAINING

Projects (Real estate/Contracts) execution staff from Supervisors to Project Engineers are trained on various aspects of construction technology to help them become the best in class by mastering the latest technological developments in the field. During FY 2021-22, 51 online technical training programmes were conducted in which 407 employees out of 590 employees were trained. These webinar trainings were conducted for employees working in Bangalore, Thrissur, Kochi, Chennai, Calicut, NCR, Coimbatore, Pune, Ahmedabad and other locations.

8 Management trainees were trained for a period of 14 days on Construction technology and Project management. 7 Webinar sessions on Standard Work process were conducted for 83 site staff of Sobha Projects pan-India.

42 programs were conducted for Technician Supervisors of both Sobha and non Sobha Rolls in which 235 employees out of 312 employees were trained during this year.

3 Workshop Webinars for General Manager and above category were conducted which were attended by 120 members. The 50th Workshop for General Manager and above category was conducted at Sobha Academy where 70 people attended the same.

BEHAVIOURAL TRAINING

At SOBHA, behavioural training is equally important as it helps empower employees to leverage their positive skills. Behavioural training helps enhance employees' ability to handle conflicts, helps in creating win-win situations, accommodating changes and flexibility and following a dynamic approach. Since behavioural training polishes skills and develop talent. It also contributes to an individual's overall development. Behavioural training at SOBHA covers a range of subjects including team building, time management and developing motivational, leadership and interpersonal skills.

In the FY 2021-22, 111 planned behavioural training programmes were conducted for employees at different levels (Assistant to Sr. Manager). Total 1,016 employees out of 1,325 employees were trained.

ADHOC TRAININGS

In addition, total 137 adhoc trainings of Behavioural, Technical, and Technician Supervisor training programmes were also conducted during the year which were attended by 1,059 employees at different levels.

OTHER TRAINING

Other trainings included 19 training programmes for the sales team and 36 department centric training programmes and these were attended by 797 employees.

In total, the Leadership Development and Training department has conducted 682 training programmes covering 7,438 participants including employees of non Sobha rolls (Technicians and Technician Supervisors) during the year FY 2021-22.

POST EFFECTIVENESS EVALUATION

Post effectiveness evaluation for all Technical and Behavioural programs after 30 to 45 days of the training program were conducted. We have evaluated 1,033 employees in 95 programs.

TRAINING, A CONTINUOUS EXERCISE

SOBHA's training wing, SOBHA Academy, conducts training on a regular basis. The Company assesses employee performance to gauge employee skills and provide them requisite training for enhancing their skills. Smooth transition from offline to online training happened using the change management process. Due to the pandemic situation most of the trainings were conducted online in the first quarter and later regular training was started at Site, Corporate office and Academy following all the covid protocols.

EMPLOYEE COMMUNIQUES

SOBHA publishes the in-house magazine '***Innerve***' which communicates news and developments in the organization to its employees. The magazine also carries articles written on various issues by the senior management, recognizes high performing employees and also carries contributions by employees.

RISK MANAGEMENT REPORT

The Company's financial position and the results of its operations are subject to certain risks and liabilities that may affect its performance and ability to achieve its objectives. The factors that the Company believes could lead to its actual results differing materially from expected and previous results. However, there are other risks and uncertainties that may also affect the Company's performance and ability to achieve its objectives that are not currently known to the Company or which are deemed immaterial.

A well-embedded risk management and internal control system are in place in the Company. It is the responsibility of the business units, support functions, functional departments and regions within the Company to set up, operate, maintain, and monitor an appropriate risk management and internal control system within their area of responsibility. This responsibility includes the identification and management of risks.

Risk Management Committee performs independent reviews based on a set of defined key controls. Further, it closes the loop through regular assessments of the design and operational effectiveness of the risk management and internal control system.

CAUSES OF RISK

Real estate risk can be caused by so many factors. To provide some structure, these factors can be grouped into several major categories as provided below:

CAUSES OF RISK IN REAL ESTATE

In the real estate sector, a company is exposed to risks at various levels some of which are within its control while many of them are not. Hence, a company must have a risk mitigation and management policy in place.

RISK ASSESSMENT AND RESPONSE

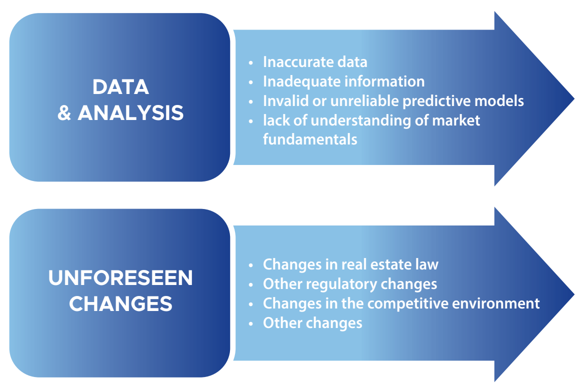
Risk assessments are carried out at various levels in the organization. We take six-step approach to risk assessments:

- Risk assessment planning
- Risk identification
- Risk rating
- Evaluation and risk response
- Reporting
- Periodic monitoring and review

Both short-term risks and emerging risks in the risk areas such as Strategic, Operational, Financial, Legal and Compliance are the focus of our risk assessments.

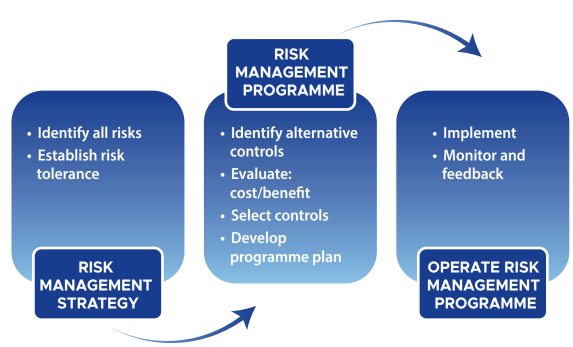
SOBHA has implemented an ERM program through which it reviews and assesses significant risks on a regular basis to ensure that it has internal controls. This system includes:

- Policies and procedures,
- Communication, supervision and continuous monitoring,
- Training programs, and
- Processes for taking the issues to appropriate levels of the senior management.



RISK MANAGEMENT PROCESS

The risk management process is another form of decision-making which can be understood through Risk Management chart provided below:



This system helps the Company to facilitate its abilities to respond appropriately to risks and in achieving its objectives and ensuring compliance with the applicable RERA law and its statutory obligations.

The principal risks and uncertainties that might affect the Company's business are identified below. The listing agreement with the stock exchanges mandates the identification, minimization and periodical review of these risks and uncertainties. However, it is not possible for the Company to implement controls to adequately respond to all the risks that it may face and there can be no complete assurance provided that the steps that it undertakes to address certain risks, including those listed below will manage these risks effectively or at all. The key risk factors are listed here to get a brief overview of the types of uncertainties that are prevailing in the existing scenario.

RISK CONTROL MECHANISMS

Insurance coverage is an appropriate way of managing disaster-related risks. Apart from a sufficient insurance coverage, SOBHA also takes appropriate measures to ensure that the structural design of its buildings conforms to the applicable construction standards in the various regions that it is operating in. The properties of the company are insured against natural risks, like fire, flood, earthquakes, etc. with periodical review of adequacy, rates and risks covered under professional advice.

Risks which are beyond the Company's control include:

NATURAL AND MAN-MADE DISASTERS

Natural disasters include earthquakes, fires, droughts, floods or pandemic (Like Covid'19 or Spanish flu) and man-made disasters include acts of terrorism and war.

RISKS RELATED TO THE SECTOR

SALES MARKET RISKS

Modern day businesses including those in the real estate sector are customer centric and driven by market sentiment and competition. Though everyone aspires to own a home, there is a chance that the decision to purchase a house can be deferred due to certain changes in existing economic or market condition.

LAND RELATED RISK

For any construction company, land is a primary input and non-availability of an appropriate parcel of land at a strategic place at a reasonable price can lead to an increase in its prices. Such a situation with its resultant increase in the price of land can have an adverse impact on the company's performance. Further, availability of land, its use and development are subject to approvals by various local authorities under applicable local laws and regulations. This makes the price of land volatile. A drop in land prices may erode the book value carrying the cost of land. This in turn could affect a company's profitability.

OWNERSHIP AND LAND TITLE RISKS

Lack of information and low transparency coupled with age old property related issues and risk of legal disputes and their related costs are key risks in the real estate segment in India leading to the slackening of overall growth of the real estate sector.

MACROECONOMIC RISKS

Interest rates, inflation and exchange rate risks are amongst the important macroeconomic indicators which are subject to several factors which primarily have to do with the government, monetary and tax policies, domestic/international economic and political conditions, and other factors beyond a company's control. Changes in interest rates may increase a company's cost of borrowing and impact its profitability. These risk factors will be a driving factor in the development of the real estate sector.

REGULATORY RISKS

Local, state, and central regulatory bodies control the real estate sector through laws and regulations governing the acquisition, construction and development of land including zoning, permitted land use, fire safety standards, height of buildings and access to water and other utilities. SOBHA's business is subject to all these laws and regulations. Any delay in obtaining an approval under these laws and regulations will expose the business to higher risks.

LEGAL RISKS

SOBHA is involved in some legal proceedings relating to the land it owns and claims in relation to taxation matters. Any adverse decision here may have a significant effect on the company's business, prospects, and financials.

POLITICAL RISKS

Changes in government policy, social and civil unrest, and political developments in or effecting India could affect the Company's business interests. Specific laws and policies effecting real estate, foreign investments and other matters effecting investments in the company's securities could also change.

RISKS RELATED TO THE ECONOMY

An economic slowdown and uncertainty in the economic system like the natural risks associated with the construction sector are beyond the control of a company so also the risks that have to do with the economy. A sluggish economy or even recession in a specific industry such as IT/ITES can lead to a decrease in sales or market rates for residential projects. In extreme cases of an economic downturn, a company may also run the risk of customer insolvency though the registration of property happens only on the receipt of all the dues from a customer. These factors could decrease the revenue generation from some or all company's businesses, adversely effecting its business and future growth.

Further, uncertainties in the national or global economic scenario, a changing demographic profile of the country and inflation also have a bearing on the functioning of a company operating in the real estate sector.

In India, a real estate company's business is dependent on the easy availability of finance. An economic slowdown can result in fund shortages as lenders may want to act safe.

RISKS WHICH ARE WITHIN SOBHA'S CONTROL

CUSTOMER RISKS

SOBHA operates in ten cities which contribute to the Company's revenue. A significant portion of sales from real estate operations is generated in Bangalore. A decline in the revenue in this real estate market or a shift in customer loyalty may have an adverse effect on its business and operating results.

Contractual business depends solely on orders received from corporate entities for their construction requirements. A substantial portion of the revenue from contractual projects is generated from major clients operating in the information technology sector. Due to ongoing pandemic situation, most of the IT firms have provided work from home facility to its employees, which will further impact the demand in commercial office segment. If this client either reduces or stops providing SOBHA contractual projects, or if there is a slowdown in the IT sector, this could adversely affect the Company's business.

BORROWING RISKS

Construction activities which are a major contributor to the Company's revenue are capital intensive and require a significant expenditure on land acquisition and development. An efficient borrowing strategy has placed SOBHA ahead of its competition with respect to borrowing costs. However, SOBHA is subject to risks normally associated with debt financing and may be required to dedicate a portion of its cash flows towards the repayment of its debt commitments. It may not be possible to generate adequate cash flows in certain extreme scenarios to service principal and interest payments. In certain cases, lenders also have the right to recall a loan. Such an event could impact SOBHA's liquidity and credit rating.

LIQUIDITY RISKS

The real estate industry has its own challenges and dynamics. The time required to liquidate a real estate property can vary depending on the quality and location of the property. Therefore, SOBHA may not be able to liquidate its assets promptly in response to economic, real estate market or other conditions.

CREDIT RISKS

In most of the cases SOBHA develops properties on a joint venture basis. Credit risks arise when its JV partners do not discharge their obligations and, in such circumstances, SOBHA may be required to make additional investments in a joint venture or become liable for the other party's obligations.

PROJECT IMPLEMENTATION RISKS

Real estate projects are vulnerable to several implementational problems such as regulatory compliances which may cause project start up delays, construction delays, cost overruns and unavailability of skilled labour, accidents, and quality gaps. SOBHA's operations may be unfavourably impacted if these risks are not mitigated on a real-time basis.

INPUT COST RISKS

Many times, operations of a real estate project are subject to budget overruns due to several factors like increase in construction costs, growing sub-contracted service costs and increase in labour costs. Increased operating expenses may affect SOBHA's profit margins if is not able sell the properties with desired margins. There is a chance of reduction in demand if the selling price of unsold properties is increased.

SUPPLY CHAIN RISKS

If suppliers of raw materials curtail, discontinue, or disrupt the supply of materials, SOBHA's ability to meet its material requirements for projects could be impaired. This could lead to a disruption in construction schedules and projects may not be completed on time.

MANPOWER RISKS

The construction industry is highly dependent on the manpower and its ability to retain the manpower. Employee attrition could have an adverse impact on SOBHA's business. SOBHA's performance could also be affected if it is unable to identify, attract and retain key employees like engineers and architects.

COMPETITION RISKS

The residential real estate sector is highly competitive. Other developers undertaking similar projects within the same regional markets are in direct competition with SOBHA. Due to the fragmented nature of the real estate development business, adequate information about small and medium level competitors' projects may not be available and SOBHA could run the risk of underestimating the supply in the market.

DIVERSIFICATION AND INVESTMENT RISKS

Though SOBHA is a backward integrated company, expanding into new businesses or new geographies exposes it to new risks such as low levels of familiarity with the development of properties in the specific area or market for the new project development. Competitors may be better known in these markets and may also enjoy better relationships with vendors/ suppliers/landowners/joint-venture partners and customers.

IT AND SYSTEM RISK

SOBHA uses an Enterprise Resource Planning system for integrating its core and back-end activities like architecture, engineering, projects and costing. A breakdown of existing IT systems or a delay in implementation could disrupt the SOBHA's ability to track, record and analyse the work in progress, or result in loss of valuable data.

These risks relate to the following:

- System capability
- System reliability
- Data integrity risks
- Coordinating and interfacing risks
- Information Security

CYBER SECURITY RISK

As a customer centric organization, we need to regularly give updates to customers, interact with third parties and service providers. In this day and age, a lot of emphasis is given to real-time information, which inadvertently means exposing our system and data to the outside world. Although a lot of care is taken through digital certification and encryption methodologies, but there are still concerns over different security risks associated with it. Moreover, with the advent of mobility, the eco-system has been ever demanding into making mobility solutions which further adds to data and information exposure risks as well as security risks.

RISK CONTAINMENT STRATEGY AND MEASURES TAKEN FOR RISK MITIGATION

SOBHA always strives to produce customer centric and high-value products for quality conscious and niche customers. This is evident from the customer support that it got during the recent economic reforms initiated by the Central Government. SOBHA's customers are not dependent on external resources and are able to manage their financial requirements internally.

The Company has a dedicated and robust in-house sales and marketing team which is entrusted with the task of generating enquiries for its products and transforming them into sales. This reduces dependency on external agents and brokers.

SOBHA also has a dedicated Customer Relationship Management (CRM) Department to cater to customer feedback, resolving their queries and grievances, addressing their issues, streamlining the purchase process, and receiving feedback. An online portal has been designed for customers on which they can share their views and check on the status of the projects. The CRM Department's core responsibility is ensuring smooth and hassle-free transfers of products to the satisfaction of the customers.

Taking calculated risks is a part of all businesses. A business' growth depends on the Company's ability to absorb the risks related to the sector. After a careful evaluation of the risks SOBHA has been steadily expanding its geographic presence in the real estate domain. This diversification has reduced its dependency on a single market, Bangalore, which at one point accounted for all its sales. Bangalore now contributes only 65-70 per cent of its sales.

To avoid dependency on a single large client in the contractual vertical, the Company is making a conscious effort to enlarge its corporate client base. Enlarging this client base includes tapping into a big pool of corporates and institutions to ensure that its dependence on any one client is reduced. Out of the projects currently under progress, the share of contractual orders received from other clients has increased.

SOBHA has a proven track record in servicing its debt obligations. The gearing levels of the Company have been efficiently managed in previous financial years because of which the gearing ratio has come down. Every investment avenue is evaluated on the basis of the risks and rewards attached to it.

The Company takes strategic decisions with respect to land acquisition. Effective methodologies are in place for managing the land portfolio. Requisite due diligence is carried out before acquiring land or entering partnerships for joint ventures or joint development.

SOBHA has adopted a standard process for ensuring product quality. Technology related to the industry is upgraded periodically by comparing it to global standards. This helps in minimizing implementation risks. The in-house Quality, Safety and Technology Department is in-charge of addressing quality issues of the products.

Vendors supplying key materials have long-standing relationships with SOBHA. Since the Company is a backward integrated organization, key inputs are sourced in-house, reducing dependency on external suppliers.

Comparatively, the attrition rate in the Company is below industry/sector average. To minimize attrition and retaining talent, SOBHA has adopted effective and employee friendly policies.

SOBHA is confident that with the economic and sector specific reforms introduced by the Government in the recent past, the outlook for long-term demand for the real estate sector in India is stable and positive. The emergence of Tier-II and Tier-III cities, urbanization, large-scale employment opportunities in Tier-II cities and larger numbers of nuclear families will contribute to a substantial increase in demand for real estate and corporate space in the future.

The dedicated and strong in-house Legal Department at SOBHA along with the outside experts, ensures the minimization of legal and regulatory risks. The Company is a member of trade associations like CREDAI and active in making joint representations to the government and regulators on common issues faced by the sector.

The Company has a strong IT team to support all IT related matters. The Company is evaluating implementation of new ERP.

SOBHA'S foray into new geographies is based on a thorough analysis of prevailing market conditions and the regulatory environment. Several contractual projects have been successfully executed in the cities and hence, there is a good understanding of the local factors at play. The Company also engages locally available manpower resources.

The Company has a Risk Management Committee for evaluating the risk of each category. The committee assist in identifying and assessing risks so that appropriate mitigation mechanisms can be devised. The Audit Committee reviews and advises the management on all categories of risks that the Company faces, the exposure in each category and on the acceptable and appropriate levels of these exposures. It also monitors the steps taken by the management to control such exposures and ensures that the overall risk exposure is within the Company's risk capacity and risk appetite. The Board of Directors of the Company are also apprised of the risks faced by the Company and timely risk management measures taken for mitigating them.

OPERATIONAL AND FINANCIAL ANALYSIS

As we close this financial year mixed with ups and downs, it gives us immense pleasure to record one of our best operational and financial performance during the year 2021-22. The continuous threat of the COVID induced pandemic to normal life, had a lasting impact on all sectors. However, the housing sector showed amazing resilience and has come out of it much stronger.

Prospects of economic recovery was challenged as we crawled through the first quarter of FY-22, due to threat from a new variant of the virus. However, the situation eased during second quarter of the financial year, thanks to a steady focus on getting the Indian diaspora vaccinated. Demand and supply, labour and material availability were normalized, but the sector remained a buyer's market due to some inventory oversupplies and a somewhat stressed condition of many small to medium developers.

SOBHA held its ground. Despite buyers looking for hard bargains in FY 2021-22, we achieved highest ever sales in the history of the Company in any financial year. We surpassed last year's performance (which was highest ever then) by ~23%, in both volume and value terms. In Q2, we achieved the highest quarterly sales volume of ~1.35 million square feet, and consistently improved on our price realization over subsequent quarters to reach the highest ever average realization of ₹8,265 per sq.ft in Q4. This is significant as it gives us conviction that demand in the housing sector is holding strong, and with the right product, we can hope for sustained growth in sales, realization and margins.

Industry consolidation continues at a rapid pace which augurs well for large developers with the ability to tap the potential market space across geographies.

The Company is confident that it will do even better in the coming financial years with customers showing strong preference for the SOBHA brand, in the context of our superior execution capabilities and reputation of quality products delivered in agreed timelines. Alongside, our continued focus on cashflow management and reduction of debt is expected to help us improve our margins further in future. This is also backed by our strong launch pipeline in Bangalore and other cities as well.

The Company believes that, being a pioneer in using advanced operational methodologies, best practices in the sector, use of technology tools and having a greater digital presence, it should be able to perform better, both financially and operationally in the coming years.

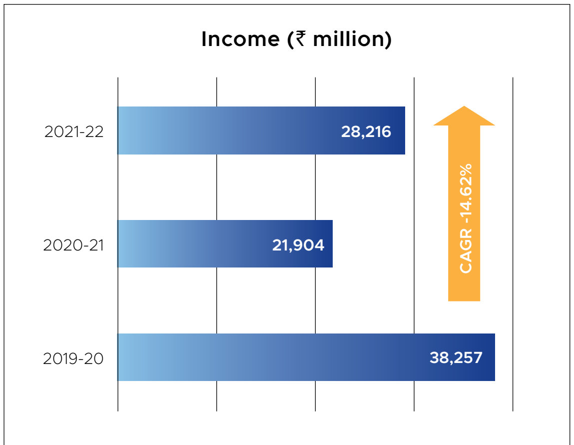
Within this backdrop, we present our financial and operational performance for the year 2021-22.

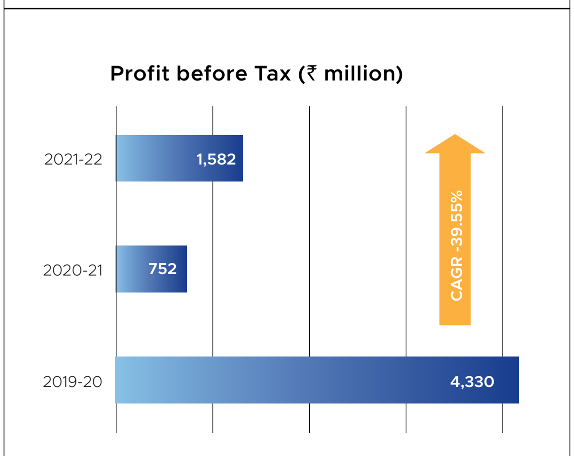
Following are the key financial takeaways from fiscal year 2021–22:

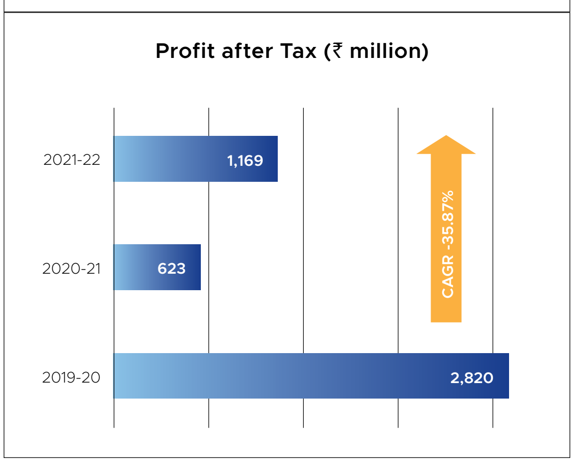
- Registered a turnover of ₹28,216 million.
- ₹20,458 million of revenues from real estate operations.
- ₹7,204 million of revenues from contracts and manufacturing operations and ₹552 million of revenue from other income.
- PBT of ₹1,582 million.
- PAT of ₹1,169 million.
- Collections of ₹39,822 million.
- Net operational cash flows stand at ₹9,205 million.
- Total sales value of ₹38,702 million and Sobha Share at ₹32,684 million.
- Total average price realization at ₹7,883 per square feet.
- Debt Equity ratio as on March 31, 2022 was 0.93.

On operational parameters, the Company has:

- Developed 120.08 million Square Feet of Total Area since its inception.
- Execution of 31.90 million Square Feet of Total Area in progress.
- Executed total 41.47 million Square Feet for our single largest contractual customer Infosys.
- Execution presence of Real Estate and Contractual projects in 27 Cities covering 14 States in India.
- Completed total developable area of 7.78 million Square feet in the Real Estate and Contracts domain in 2021-22.





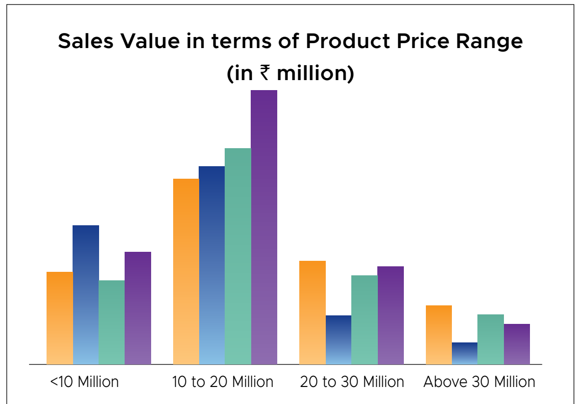


NEW SALES

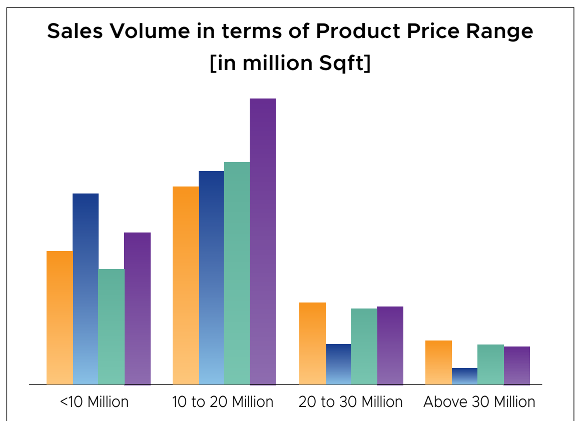
SOBHA recorded the highest ever sales in its operating history since 1995, despite a challenging macro environment and geo-political tensions leading to supply shocks in commodities in Q4.

During the financial year, the Company registered new sales SBA of 4.91 million square feet valued at ₹38,702 million at an average price realization of ₹7,883 per square feet.

The classification of new sales in terms of price band is as follows:



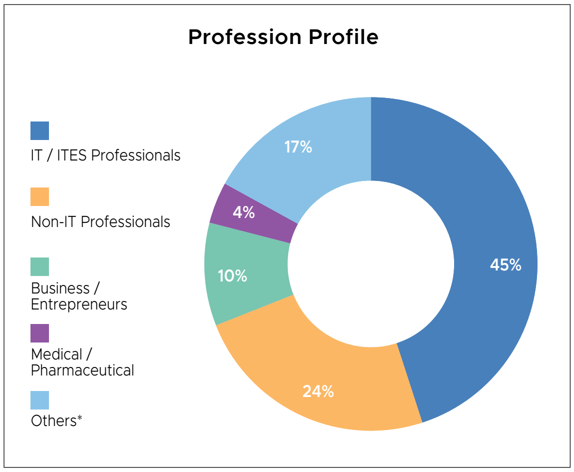
	2018-19	2019-20	2020-21	2021-22
< 10 million	6,549	9,896	5,984	8,358
10 to 20 million	13,205	13,984	15,406	20,524
20 to 30 million	7,364	3,489	6,430	6,949
Above 30 million	4,107	1,437	3,552	2,872



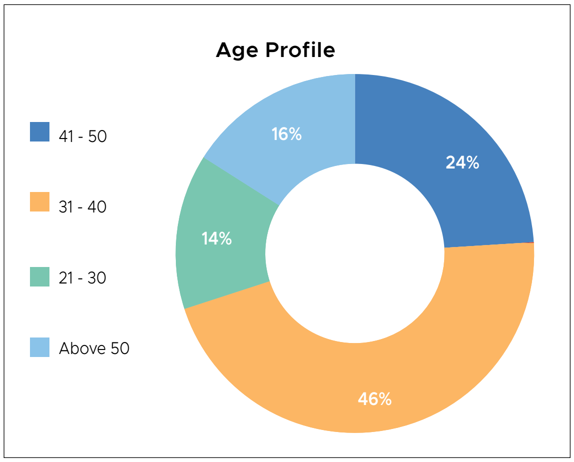
	2018-19	2019-20	2020-21	2021-22
< 10 million	1.18	1.68	1.03	1.35
10 to 20 million	1.75	1.88	1.96	2.57
20 to 30 million	0.72	0.36	0.67	0.68
Above 30 million	0.38	0.15	0.35	0.31

OUR CUSTOMERS

The Company, on an ongoing basis, analyses its customer base constantly to understand the demand mix better for generating marketing insights. We have a healthy mix of customer profiles, comprising IT/ITES professionals, non-IT professionals, entrepreneurs and professionals. About 69% of our customers fall under salaried category, which includes 45% from IT/ITES and 24% from Non-IT industries. In addition to this, 10% of customers are from business and entrepreneur category.

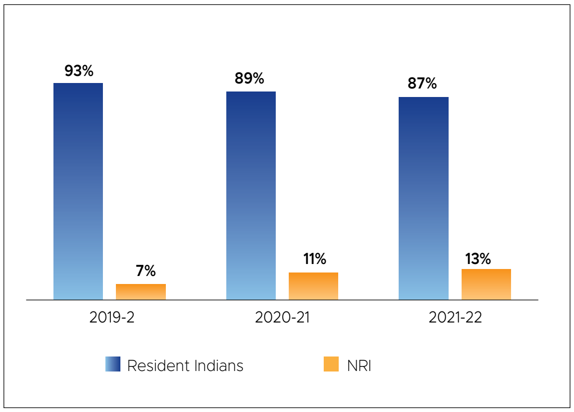


* Others include agriculturists, government employees etc.



SOBHA operates a representative office in Dubai to market the Company's products among the NRI community. However, the resident Indians continue to dominate the overall customer mix.

Comparative position of the customer base is provided below:



REAL ESTATE

Customer centricity is at the core of our business strategy in addition to the Company's ability to consistently deliver quality products in the real estate space. The real estate operations of the Company are currently spread across 10 cities.

The performance of the Real Estate Vertical is as follows:

₹ in million

Particulars	2021-22	2020-21	2019-20	2018-19
Revenue – Real Estate	20,458	13,103	22,801	22,653
Share of total Revenue (%)	72.50	60.19	59.59	64.43

PROJECT LAUNCHES

During the year, the Company launched the following real estate projects –

- 'SOBHA Arbor' Chennai, a luxury project measuring total saleable area of 0.29 million sqft.
- 'SOBHA Manhattan Towers' Bangalore, a luxury project measuring total saleable area of 0.88 million sqft.
- 'SOBHA Avalon' at GIFT City, measuring a total saleable area of 0.32 million sqft.
- 'SOBHA Brooklyn Towers' Bangalore, a project measuring a total saleable area of 0.20 million sqft.

In total we have launched new projects to the tune of 1.37 million square feet during the financial year 2021-22.

CONTRACTING

During 2021-22, revenue from this vertical contributed around 19% to the Company's top-line. The contracts vertical has been executing orders ranging from civil structures, finishes, MEP works, metal and glazing works and interior for various reputed clients. Around 3.29 million square feet of contractual orders under progress. The contractual operations will continue to be a source of steady revenue of the Company.

The performance of the Contracts Vertical is as follows:

₹ in million

Particulars	Revenue Contractual	Share of total Revenue (%)
2021-22	4,662	16.52
2020-21	5,325	24.58
2019-20	10,181	26.61
2018-19	8,331	23.69

MANUFACTURING

SOBHA has pioneered complete vertical integration in the Real Estate industry in India. The Company has the capabilities, skills and resources to deliver a project from conceptualisation to completion with all in-house teams, backed by this unique strength. This gives the Company an absolute control over the product quality and execution timelines to meet desired standards. Construction materials manufactured in our own facility also help us ensure that the products are superior in quality and the Company has a reduced dependence on external suppliers. The Company believes that this model has been one of the most important factors in its successful execution track record without compromising on quality.

Our vertically integrated model comprises of Glazing and Metal Works, Interiors and Furnishing Works and Concrete Works, which supplement our core business of real estate and contracting. Each of these manufacturing divisions is also a profit centre and is efficiently servicing external clients as well.

GLAZING AND METAL WORKS DIVISION

The Company owns one of the largest Glazing and Metal factory in India. The facility is spread across 7.3 acres of land with a 2,322 sq.m. (25,000 sq. ft.) state-of-the-art manufacturing unit, with future expansion capability up to 11,148 sq.m. (120,000 sq.ft.). The factory is equipped with advanced machineries like the CNC profile cutting machine, TIG welding machines, ACP routing machine, Milling machines etc. Apart from its Bangalore unit, the Company has established Glazing and Metal Works Divisions in Chennai and Sonepat. The Products manufactured in these said facilities include aluminium doors, windows, structural glazing, MS and SS metal fabrications, aluminium composite panel, SS cladding, architectural metal works and pre-engineered buildings.

INTERIORS DIVISION

The Interior and Furnishing division of the Company is one of the largest wood working/ joinery facilities in India. The division has two highly mechanized factories with a total floor area of 2,55,000 sqft. located at Bommasandra, Bangalore. The division is equipped with imported machineries from Spain, Italy, and Germany. The Company has Interiors Division in Alwar also. The product range includes large scale corporate and residential interiors, solid wood veneer panelled doors and MDF panelled doors, customized joinery works like panelling, partitions, tables, and loose furniture like chairs, sofas, cots and modular kitchens etc.

CONCRETE PRODUCTS DIVISION

The Company has a fully automated Concrete Product division which uses remote controlling systems. The manufacturing facility in Bangalore spread over 32,000 sq.m. (8 acres) and manufactures concrete products of international quality. The unit has the imported technologies from Germany (Masa Plant) and England. In addition, the Company has also opened Concrete Products divisions in Gurugram. The units are manufacturing ready-to-use products, including concrete blocks, pavers, kerb stones, water drainage channels, paving slabs, and related landscape. The facility has a production capacity of 28,000 nos of blocks/day or 20mn Landscaping products.

The performance of the Manufacturing Vertical is as following:

₹ in million

Sales	2021-22	2020-21	2019-20	2018-19
Glazing and Metal Works Division	1,208	1,452	2,194	1,575
Interiors Division	738	799	1,871	1,429
Concrete Products Division	520	411	486	434
Total	2,466	2,662	4,551	3,438
Share of Revenue (%)	8.74	12.23	11.92	9.78

CASH FLOWS

The cash flow summary for the financial year 2021-2022 under direct cash flow method is as follows:

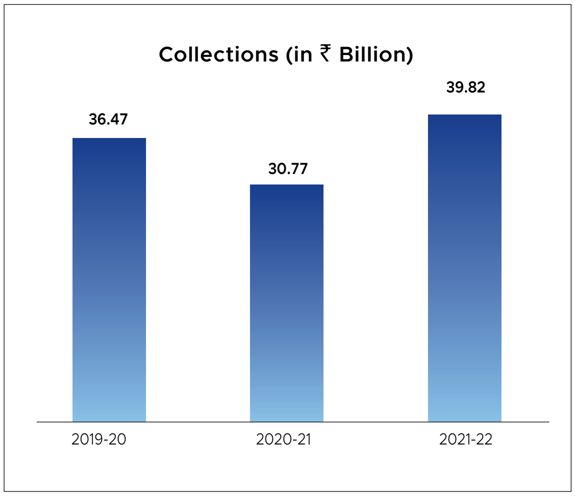
₹ in million

Particulars	2021-22
Operational cash inflow	39,821
Operational cash outflow	30,617
Net operational cashflow	9,204
Financial outflow (Interest and Taxes)	3,340
Net operational cash inflow after financial outflow	5,864
Net Cash flow	**5,156**

The Company has collected ₹39,821 million during the year from real estate, contractual and manufacturing activities. After expending on construction expenses for real estate, contractual, manufacturing activities, overheads, etc., the net operating cash inflows were ₹9,204 million. Company has recorded a net positive Cash flow of ₹5,156 million.

Out of the above, the Company has utilised ₹2,850 million towards payment of interest and ₹491 million for income taxes.

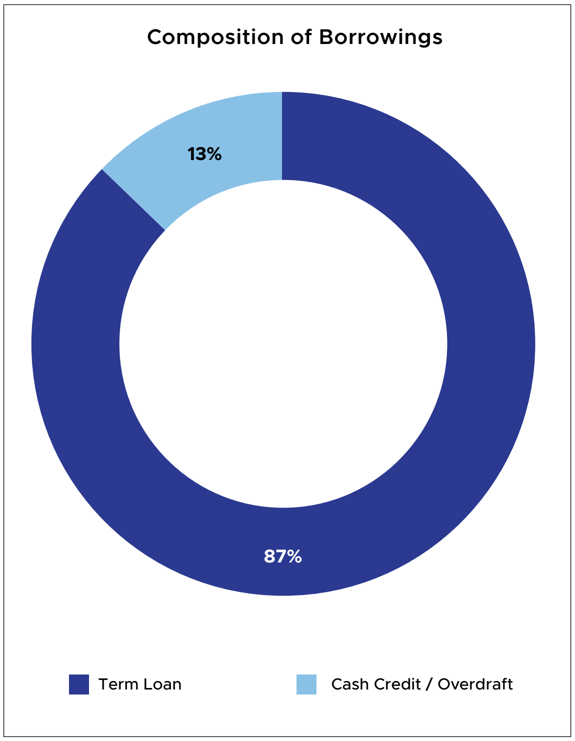
The Company has spent ₹301 million towards land payments during the year, and also collected ₹395 million from the sale of Land. In addition, the Company spent ₹349 million towards capex expenditure, ₹121 million towards CSR contribution and ₹332 million for dividend.

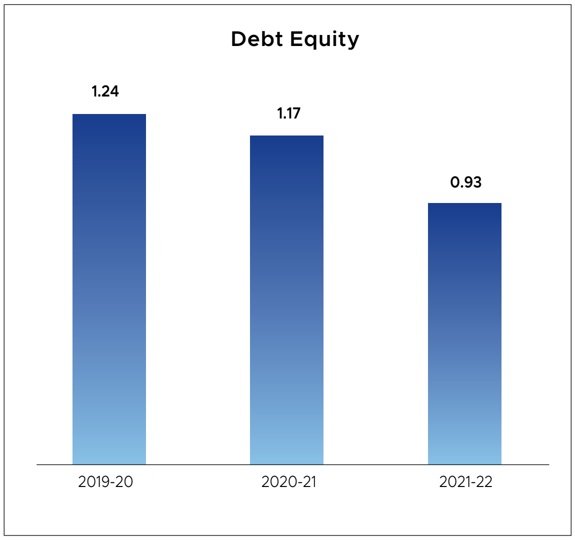


DEBT

The Company seeks to maintain an optimum balance between low-cost debt and relatively higher cost equity. Debt financing is utilised for executing various projects viz. residential, commercial and contractual.

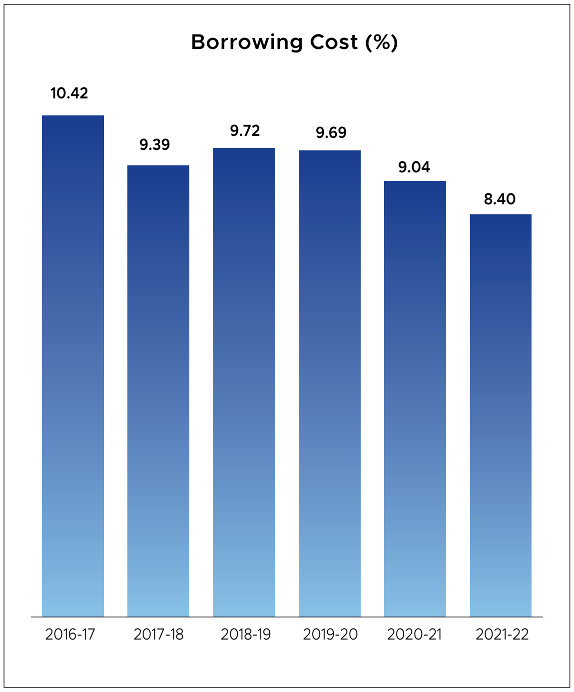
As on March 31, 2022, the net debt of the Company was ₹23,372 million as compared to ₹28,525 million in the previous year. The debt-equity ratio stood at 0.93 at the close of the financial year.





BORROWING COST

As of March 2022, the average borrowing cost stood at 8.40 %.

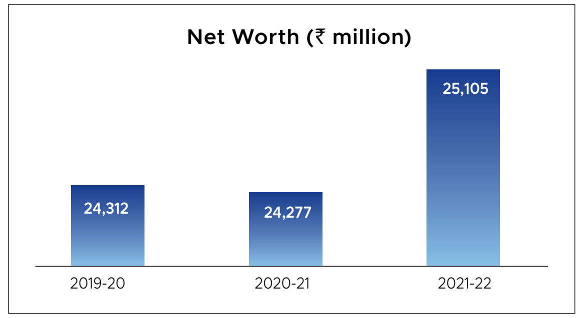


During the year the borrowings of the Company have been rated by:

- ICRA as 'A+' (Stable)
- India Ratings and Research (Ind-Ra) as 'IND AA-' (Stable)

NET WORTH

The net worth of the Company as on March 31, 2022 was ₹25,105 million.



FIXED ASSETS

During the financial year 2021-22, the gross addition to Fixed Assets was ₹147.58 million. This was mainly on account of investment in scaffolding items and additions to plant and machinery.

CURRENT ASSETS

During the financial year 2021-22, the Current Assets increased by ₹3,512 million as compared to the previous year. This was mainly on account of increase in inventories by ₹3,025 million.

CURRENT LIABILITIES

During the financial year 2021-22, the Company's Current Liabilities reduced by ₹2,406 million, mainly due to reduction in short term borrowings.

PURSUANT TO SCHEDULE V READ WITH REGULATION 34(3) AND 53(F) OF SEBI (LODR) REGULATIONS 2015, STATEMENT OF CHANGES IN KEY FINANCIAL RATIOS ARE PROVIDED BELOW:

Particulars	Consolidated			Standalone			Reason for Change
	FY 2022	FY 2021	Change %	FY 2022	FY 2021	Change %	
Inventory Turnover Ratio	0.28	0.22	26.51	0.30	0.24	25.61	On account of increase in revenue which lead to increase in Cost of goods sold.
Current Ratio	1.21	1.13	6.77	1.19	1.12	6.54	
Debtors Turnover Ratio	6.71	8.94	-24.88	6.67	8.89	-24.91	
Interest Coverage Ratio (times)	0.21	0.21	1.11	0.21	0.20	3.04	
Debt Equity Ratio	1.01	1.26	-20.03	1.03	1.28	-19.77	
Net Profit Margin (%)	0.04	0.03	37.09	0.04	0.03	34.32	Turnover for the financial year increased due to which profit increased significantly.
Operating Profit Margin (%)	0.32	0.31	4.20	0.31	0.30	5.63	
Return on Net worth(%)	0.03	0.02	83.60	0.05	0.03	69.28	Net surplus to shareholders increased due to increase in profit.

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATE

[AS PER REGULATION 17 AND PART B OF SCHEDULE II OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]

We certify that:

A. We have reviewed financial statements and the cash flow statements for the financial year ended March 31, 2022 and that to the best of our knowledge and belief:

   (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee

   (1) significant changes in internal control over financial reporting during the financial year ended March 31, 2022;

   (2) significant changes in accounting policies during the financial year ended March 31, 2022 and that the same have been disclosed in the notes to the financial statements; and

   (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

	Sd/-	**Sd/-**
Place : Bangalore	**Yogesh Bansal**	**Jagadish Nangineni**
Date : May 02, 2022	**Chief Financial Officer**	**Managing Director**

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the standalone financial statements of Sobha Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2022, the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Emphasis of matter

We draw attention to note 40 to the standalone financial statements that explains that during the previous years, the Company had entered into a joint development agreement (JDA) in which the counter party, i.e. land owners had obtained a license for setting up a residential township on land parcels. The license is based on the Bilateral Agreement which was entered into between the land owners and District Town and Country Planner (DTCP), Haryana and is governed under the development policy of Haryana Development and Regulation of Urban Areas Act (HDRUAA), 1975.

In respect of this transaction, the concerned authorities are inspecting if there were any irregularities in respect of the manner of allotment and pricing of certain plots under this project by the Company, with respect to the terms and conditions of the license and HRDUAA regulations and also whether the concerned charges were paid pursuant to the change in beneficial interest.

The Company has responded to the concerned authorities on these transactions from time to time. The matter has not yet been concluded, and the duration and outcome of the ongoing regulatory proceedings is presently uncertain.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

A. Regulatory Inquiry - refer note 40 to the standalone financial statements

Key Audit Matter	How the matter was addressed in our audit
Assessment of certain transactions entered into by the Company and recoverability of balances, on which regulatory inquiries are ongoing During the previous years, the Company has received enquiries from Securities and Exchange Board of India (SEBI) about certain transactions entered into by the Company in earlier years. SEBI had further summoned the Company under section 11(2), and 11C(2), 11C(3) of the SEBI Act, 1992 for production of documents and responses in respect of the aforesaid transactions. The enquiries and consequently the Summons were directed to ascertain if there was any undue favour towards any individuals in these specific business transactions carried out by the Company, which represented aged receivables and other asset balances recoverable from the various parties and SEBI had sought responses and evidences for the efforts taken by the Company to recover these amounts. During the current year, the Company and the other parties to the transactions have agreed to the manner of settlement of the dues according to which the Company is expected to recover the dues over a period of time. During the current year, SEBI has initiated adjudication proceedings against the Company and its officers and issued a Show Cause Notice (SCN) to the Company under Rule 4(1) of the SEBI (Procedure for holding inquiry and imposing penalties) Rules, 1995. The Company, in consultation with its legal counsel has responded to the allegations in the SCN and also filed a settlement application under SEBI (Settlement Proceedings) Regulations, 2018. The matter has not yet been concluded by SEBI. Considering the significance of the matter which involves uncertainty of outcome due to ongoing inquiries from SEBI and significant judgements and estimates by the Company on the realisability of these balances, this is considered as a key audit matter.	Our audit procedures on this matter included the following: • Inquired with senior personnel of the Company to understand the status of recovery of aged receivables and other asset balances outstanding from these transactions pursuant to the manner of settlement as agreed among the parties to the transactions; • Verified the correspondence with the various parties to recover the outstanding balances; • Read the Company's communications to SEBI to ensure consistency with the explanations and documentation / correspondences provided to us; • Evaluated and challenged the Company's assessment of recoverability of the balances outstanding as at the balance sheet date, the business rationale for these transactions and the timing and manner of settlement, including considering the developments subsequent to the balance sheet date; • Evaluated the legal opinions obtained by the Company on the implications of adjudication proceedings initiated on the Company; • Communicated and discussed periodic updates on these transactions to those charged with governance, including the recoverability and business rationale aspects for these transactions; • Read the minutes of the meetings of the management discussions with the Board of Directors and those charged with governance on this matter; • Read the Company's submission to SEBI for the settlement application made; and • Considered the adequacy of the disclosures in the standalone financial statements.

INDEPENDENT AUDITORS' REPORT (CONTINUED)
Key Audit Matter (continued)

B. Revenue recognition - refer note 2.2(a)(ii)(a) to the standalone financial statements

Key Audit Matter	How the matter was addressed in our audit
Measurement of revenue recorded from sale of residential units Revenues from sale of residential units represents the largest portion of the total revenues of the Company. Revenue is recognised upon transfer of control of residential units to customers for an amount which reflects the consideration the Company expects to receive in exchange for those units. The point of revenue recognition is normally based on the terms as included in the intimation for the handover of unit to the customer on completion of the project, post which the contract becomes non-cancellable by the parties. The Company records revenue at a point in time upon transfer of control of residential units to the customers. Considering the volume of the Company's projects, spread across different regions within the country and the competitive business environment, there is a risk of revenue being recorded in an incorrect period (for example, through premature revenue recognition i.e., recording revenue prior to handover of unit to the customers or improperly shifting revenues to a later period) in order to present consistent financial results. Since revenue recognition has direct impact on the Company's profitability, there is a possibility of the Company being biased, hence this is considered as a key audit matter.	Our audit procedures on revenue recognition on sale of residential units included the following: • Evaluation of the Company's accounting policies for revenue recognition on sale of residential units are in line with the applicable accounting standards and their application to customer contracts, including consistent application; • Identifying and testing operating effectiveness of key controls around approvals of contracts, milestone billing, intimation of handover letters and controls over collection from customers; • For samples selected, verifying the underlying documents – handover letter, sale agreement signed by the customer, handover intimation mail sent to the customer and the collections against the units sold; • Cut-off procedures for recording of revenue in the relevant reporting period; • Site visits during the year for selected projects to understand the scope, nature, status and progress of the projects; and • Considering the adequacy of the disclosures in note 2.2(a)(ii)(a) to the standalone financial statements in respect of recognising revenue on sale of residential units.

B. Revenue recognition - refer note 2.2(a)(i) to the standalone financial statements

Key Audit Matter	How the matter was addressed in our audit
Measurement of revenue on contractual construction projects recorded over time which is dependent on the estimates of the costs to complete Revenue recognition from contractual projects represents a significant portion of the total revenues of the Company.	Our audit procedures on revenue recognition on contractual construction projects included the following: • Evaluation of Company's accounting policies for revenue recognition on contractual projects are in line with the applicable accounting standards and their application to customer contracts, including consistent application;

Key Audit Matter	How the matter was addressed in our audit
Revenue recognition from contractual projects involves significant estimates primarily pertaining to measurement of costs to complete the projects. Revenue from projects is recorded based on Company's assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete. Due to inherent nature of the projects and significant judgment involved in the estimate of costs to complete, there is risk of overstatement or understatement of revenue, hence this is considered as a key audit matter.	• Identifying and testing operating effectiveness of key controls around budgeting of project cost, approval of purchase orders, recording of actual cost, raising of invoices and estimating the cost to complete the project; • For samples selected during the year, verifying the underlying documents – contracts with customers, invoices raised and collections from the customers; • Comparing the estimated costs to complete with the budgeted costs and analysis of the variances, if any; • Sighting approvals for budgeted costs with the rationale for the changes; • Assessment of costs incurred on projects, which is used by the Company to determine the percentage of completion; • Considering the adequacy of the disclosures in note 2.2(a)(i) to the standalone financial statements in respect of judgements taken to recognise revenue for contractual projects; and • Considering the adequacy of the disclosures in note 42 to the standalone financial statements in respect of revenue recognised, cost incurred, amount received/ retentions due from customers, work in progress, value of inventories and profit recognised till date.

B. Revenue recognition - refer note 2.2(a)(iii) to the standalone financial statements

Key Audit Matter	How the matter was addressed in our audit
Measurement of revenue recorded from sale of manufactured products Revenue is recognised upon transfer of control of products manufactured by the Company to customers for an amount which reflects the consideration the Company expects to receive in exchange for those products. The point of revenue recognition is normally upon transfer of control to the customer on delivery of product.	Our audit procedures on revenue recognition from sale of manufactured products included the following: • Evaluation of Company's accounting policies for revenue recognition on sale of products manufactured, are in line with the applicable accounting standards and their application to agreement with customers, including consistent application;

Key Audit Matter	How the matter was addressed in our audit
Considering the competitive business environment, there is a risk of revenue being overstated (for example, through premature revenue recognition i.e., recording revenue prior to transfer of control to the customers) or understated (for example, through improperly shifting revenues to a later period) in order to present consistent financial results. Since revenue recognition has direct impact on the Company's profitability, there is a possibility of the Company being biased, hence this is considered as a key audit matter.	• Identifying and testing operating effectiveness of key controls around approvals of sale order received, invoice raised, intimation of delivery of product, and controls over collection from customers; • For samples selected, verifying the underlying documents – sales order, invoice raised, good received note authorised by the customer and the collections; • Cut-off procedures for recording of revenue in the relevant reporting period; and • Considering the adequacy of the disclosures in note 2.2(a)(iii) to the standalone financial statements in respect of recognizing revenue on sale of manufactured products.

C.Inventories - refer note 3(b)(iv) to the standalone financial statements

Key Audit Matter	How the matter was addressed in our audit
Assessment of net realisable value (NRV) of inventories Inventories on construction of residential units comprising ongoing and completed projects, initiated but unlaunched projects and land stock, represents a significant portion of the Company's total assets. The Company recognises profit on the sale of each residential unit with reference to the overall profit margin depending upon the total cost incurred on the project. A project comprises multiple units, the construction of which is carried out over a number of years. The recognition of profit for sale of a unit, is therefore dependent on the estimate of future selling prices and construction costs. Further, estimation uncertainty and exposure to cyclicality exists within long- term projects.	Our audit procedures to assess the net realisable value (NRV) of inventories included the following: • Enquiry with the Company's personnel to understand the basis of computation and justification for the estimated recoverable amounts of the unsold units in both ongoing and completed projects ("the NRV assessment"); • Assessing the Company's valuation methodology for the key estimates, data inputs and assumptions adopted in the valuation. This involved comparing the total cost per sqft with expected average selling prices such as recently transacted prices maintained by the Company. For projects which are not launched and / (or) there are no sales, the total cost per sqft is compared to the selling prices of similar properties located in nearby vicinity of each project • While analysing the expected average selling price, we have performed a sensitivity analysis on the selling price and compared this to the budgeted cost;

Key Audit Matter	How the matter was addressed in our audit
Forecasts of future sales are dependent on market conditions, which can be difficult to predict and be influenced by political and economic factors. Considering the significance of the amount of carrying value of inventories and the involvement of significant estimation and judgement in assessment of NRV, this is considered as a key audit matter.	• For our samples of land stock, obtained the fair valuation reports and published guidance values for assessing the valuation methodology, key estimates and assumptions adopted in the valuation; and • Verifying the NRV assessment and comparing the estimated construction costs to complete each development with the Company's updated budgets.

D. Land Advances - refer note 3(b)(iv) to the standalone financial statements

Key Audit Matter	How the matter was addressed in our audit
Assessment of recoverability of land advances Land advances represents a significant portion of the Company's total assets. Land advance represents the amount paid towards procurement of land parcels to be used in the future for construction of residential projects. These advances are carried at cost less impairment losses. These land advances are converted into land stock as per the terms of the underlying contracts under which these land advances have been given. The carrying value of advances are tested for recoverability by the Company by comparing the valuation of land parcels in the same area for which land advances have been given. Due to the quantum of carrying value of land advances to total assets of the Company and significant estimates and judgements involved in assessing recoverability of land advances, this is considered as a key audit matter.	Our audit procedures to assess the recoverability of land advances included the following: • Enquiry with the Company's personnel on the process of providing land advances and testing of key controls over such land advances paid during the year; • Obtaining explanations from Company's personnel on the long-standing land advances and understanding Company's plan for conversion of the land advances to land stock; • For our samples, verifying the underlying agreements or memorandum of understanding in possession of the Company, based on which land advances were given, to assess the Company's rights over the land parcels in subject; • For our samples, obtaining the fair valuation reports of such land parcels for assessing the valuation methodology, key estimates and assumptions adopted in the valuation; and • For our samples, verifying the published guidance values for the area in which these land parcels are situated.

INDEPENDENT AUDITORS' REPORT (Continued)

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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's and Board of Directors' Responsibility for the Standalone Financial Statements

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone 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 standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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 standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 (Auditors' Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143 (11) 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. (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

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

   e. On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a. The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its standalone financial statements - Refer note 40 to the standalone financial statements;

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

   c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

   d. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or
      - on behalf of the Company or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

      (ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Company from any persons or entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or
- on behalf of the Funding Party or provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership number: 065155
UDIN: 22065155AJHJUM1713

Place : Bengaluru
Date : 20 May 2022

Annexure A to the Independent Auditor's Report on Standalone Financial Statements of Sobha Limited ('the Company')

With reference to the Annexure A referred to in the Independent Auditors' report to the members of the Company on the standalone financial statement for the year ended 31 March 2022, we report the following:

(i) (a (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its property, plant and equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were 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 title deeds of immovable properties (other than immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and Rules made thereunder.

(ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to limited liability partnership or any other parties during the year. The Company has made investment, provided guarantee to a firm. The Company has also provided guarantee, granted loans to companies in respect of which the requisite information is as below. The Company has not made any investments in companies, limited liability partnership or any other parties.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans or provided advances in the nature of loans, or stood guarantee, or provided security to any other entity as below:

Particulars	Guarantees (₹ In millions)	Loans (₹ In millions)
Aggregate amount during the year Subsidiaries*	-	49.32
Balance outstanding as at balance sheet date Subsidiaries*	1,226	342.89

*As per the Companies Act, 2013

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular, except for the loan of ₹151 million given to Sobha Contracting Private Limited, ₹158 million given to Sobha Highrise Ventures Private Limited, ₹4 million given to Sobha Developers (Pune) Limited and ₹30 million given to Sobha Assets Private Limited which is repayable on demand. As informed to us, the Company has not demanded repayment of the loan during the year. Thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular. Further, the Company has not given any advance in the nature of loan to any other party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans or advances in the nature of loans to its Promoters and related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):

(₹ in million)

	All Parties	Promoters	Related Parties
Aggregate of loans/advances in nature of loan - Repayable on demand (A) - Agreement does not specify any terms or period of Repayment (B)	 - -	 - -	 343 -
Total (A+B)	-	-	343
Percentage of loans/advances in nature of loan to the total loans	-	-	100%

Annexure A to the Independent Auditors' Report on the standalone financial statements of Sobha Limited ('the Company') (continued)

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods (and/or services provided by it) and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.

(vii) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Goods and Service Tax ('GST').

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of statute	Nature of dues	Amount (₹ in million)*	Period to which amount relates	Forum where dispute is pending
Andhra Pradesh Sales Tax Act	Basis of charge of sales tax	2.05	2002-05	High Court of Andhra Pradesh
Karnataka Sales Tax Act	Basis of charge of sales tax	127.27	2007-08	High Court of Karnataka
Karnataka Sales Tax Act	Basis of charge of sales tax	25.6	2008-09	High Court of Karnataka
Karnataka Sales Tax Act	Basis of charge of sales tax	27.62	2009-10	High Court of Karnataka
Karnataka Sales Tax Act	Basis of charge of sales tax	67.71	2010-11	High Court of Karnataka
Karnataka Sales Tax Act	Basis of charge of sales tax	43.97	2011-12	High Court of Karnataka
Karnataka Sales Tax Act	Basis of charge of sales tax	64.63	2013-14	High Court of Karnataka
Karnataka Sales Tax Act	Basis of charge of sales tax	43.52	2014-15	High Court of Karnataka
Karnataka Sales Tax Act	Basis of charge of sales tax	11.71	2012-13	High Court of Karnataka

Annexure A to the Independent Auditors' Report on the standalone financial statements of Sobha Limited ('the Company') (continued)

Name of statute	Nature of dues	Amount (₹ in million)*	Period to which amount relates	Forum where dispute is pending
Karnataka Sales Tax Act	Basis of charge of sales tax	7.19	2016-17	High Court of Karnataka
Karnataka Sales Tax Act	Basis of charge of sales tax	56.72	2017-18	High Court of Karnataka
Maharashtra Value Added Tax Act	Basis of charge of sales tax	5.87	2008-09	Joint Commissioner of Sales Tax appeal, Pune
Maharashtra Value Added Tax Act	Basis of charge of sales tax	6.22	2010-11	Joint Commissioner of Sales Tax appeal, Pune
Maharashtra Value Added Tax Act	Basis of charge of sales tax	1.43	2010-11	Joint Commissioner of Sales Tax appeal, Pune
Maharashtra Value Added Tax Act	Basis of charge of sales tax	0.34	2008-09	Joint Commissioner of Sales Tax appeal, Pune
Maharashtra Value Added Tax Act	Basis of charge of sales tax	0.38	2011-12	Joint Commissioner of Sales Tax appeal, Pune
Maharashtra Value Added Tax Act	Basis of charge of sales tax	0.85	2011-12	Appeal Filed
Maharashtra Value Added Tax Act	Basis of charge of sales tax	0.51	2014-15	Pending in Appeal
Maharashtra Value Added Tax Act	Basis of charge of sales tax	0.93	2016-17	Pending in Appeal
Kolkata Value Added Tax Act	Basis of charge of sales tax	1	2009-10	West Bengal Commercial Taxes appellate, Kolkata
Kerala Sales Tax Act	Basis of charge of sales tax	28.57	2010-11 to 2013-14	District Commissioner - (Appeals) Thiruvananthapuram
Kerala Sales Tax Act	Basis of charge of sales tax	20.97	2012-13	District Commissioner - (Appeals) Thiruvananthapuram
Kerala Sales Tax Act	Basis of charge of sales tax	192.02	2014-15	District Commissioner - (Appeals) Thiruvananthapuram
Finance Act, 1994 (service tax provisions)	Service tax demand	343.09	2006-12	Central Excise and Service Tax Appellate Tribunal, Bangalore
Finance Act, 1994 (service tax provisions)	Service tax demand	91.47	2008-16	Commissioner of Central Tax, GST Commissioner, Bangalore
Customs Act, 1962	Differential tax treatment	1.27	2010-11	Central Excise and Service Tax Appellate Tribunal, Bangalore

Net of ₹356 million in total, paid under protest

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

Annexure A to the Independent Auditors' Report on the standalone financial statements of Sobha Limited ('the Company') (continued)

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

(xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

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

Annexure A to the Independent Auditors' Report on the standalone financial statements of Sobha Limited ('the Company') (continued)

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership number: 065155
UDIN: 22065155AJHJUM1713

Place : Bengaluru
Date : 20 May 2022

Annexure B to the Independent Auditors' report on the standalone financial statements of Sobha Limited for the period ended 31 March 2022.

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

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Sobha Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Annexure B to the Independent Auditors' report on the standalone financial statements of Sobha Limited for the period ended 31 March 2022. (continued)

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership number: 065155
UDIN: 22065155AJHJUM1713

Place : Bengaluru
Date : 20 May 2022

SOBHA LIMITED
STANDALONE BALANCE SHEET

in ₹ million

Particulars	Note	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	4	2,315.48	2,647.77
Investment property	5	1,882.71	1,691.59
Investment property under construction	6	-	700.58
Intangible assets	7	0.14	0.21
Right of use assets	8	199.25	245.99
Financial assets			
Investments	10	4,398.49	3,975.63
Trade receivables	11	564.23	423.99
Other non-current financial assets	12	1,541.06	1,414.40
Other non-current assets	13	4,338.62	5,200.77
		15,239.98	**16,300.93**
Current assets			
Inventories	9	70,352.24	67,515.27
Financial assets			
Trade receivables	11	3,502.14	1,934.98
Cash and cash equivalents	14	1,346.04	1,572.88
Bank balance other than cash and cash equivalents	15	384.34	392.61
Other current financial assets	12	5,208.43	6,021.52
Other current assets	13	13,706.44	13,802.75
		94,499.63	**91,240.01**
Total assets		**1,09,739.61**	**107,540.94**
Equity and liabilities			
Equity			
Equity share capital	16	948.46	948.46
Other equity	17	22,709.83	21,922.28
Equity attributable to owners of the Company		23,658.29	22,870.74
Non-controlling interest		-	-
Total equity		**23,658.29**	**22,870.74**
Non-current liabilities			
Financial liabilities			
Borrowings	19	6,635.92	2,767.76
Lease liabilities	19	40.02	67.97
Provisions	21	174.70	151.46
Deferred tax liabilities (net)	22	73.05	258.67
		6,923.69	**3,245.86**
Current liabilities			
Financial liabilities			
Borrowings	19	17,252.46	26,104.02
Lease liabilities	19	60.87	61.98
Trade payables			
Dues of micro enterprises and small enterprises; and	23	-	-
Dues of creditors other than micro enterprises and small enterprises	23	6,698.30	7,339.81
Other current financial liabilities	20	5,882.40	5,644.09
Other current liabilities	24	48,906.11	42,048.86
Provisions	21	154.55	138.50
Liabilities for current tax (net)	22	202.94	87.08
		79,157.63	**81,424.34**
Total liabilities		**86,081.32**	**84,670.20**
Total equity and liabilities		**1,09,739.61**	**107,540.94**

Summary of significant accounting policies 2.2

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership No.: 065155

Place : Bengaluru, India
Date : 20 May 2022

for and on behalf of the Board of Directors of
Sobha Limited

Ravi PNC Menon
Chairman
DIN: 02070036

Jagadish Nangineni
Managing Director
DIN: 01871780

Yogesh Bansal
Chief Financial Officer

Vighneshwar G Bhat
Company Secretary and Compliance Officer

Place : Bengaluru, India
Date: 20 May 2022

SOBHA LIMITED
STANDALONE STATEMENT OF PROFIT AND LOSS

in ₹ million

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	25	27,140.93	20,966.96
Finance income	27	399.41	451.73
Other income	26	549.25	492.82
Total income		**28,089.59**	**21,911.51**
Expenses			
Land purchase cost		1,959.10	2,148.20
Cost of raw materials and components consumed	28	1,982.21	1,861.96
Purchase of project materials		5,179.60	4,009.55
Changes in Inventories of Raw materials, Land stock, Work in progress, Stock in trade and Finished goods	29	(2,745.78)	(3,383.09)
Subcontractor and other charges		6,381.37	5,093.60
Employee benefits expense	30	2,294.47	1,771.27
Finance costs	34	7,283.26	5,759.58
Depreciation and amortization expense	31	680.42	754.96
Other expenses	32	3,548.33	3,148.84
Total expenses		**26,562.98**	**21,164.87**
Profit before tax		**1,526.61**	**746.64**
Tax expenses			
Current tax	22	580.69	98.78
Deferred tax (credit) /charge	22	(182.60)	(7.53)
Income tax expense		**398.09**	**91.25**
Profit for the year		**1,128.52**	**655.39**
Other comprehensive income			
Item that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement on defined benefit plan (net of tax)	37	(9.01)	6.50
Other comprehensive income for the year, net of tax		**(9.01)**	**6.50**
Total comprehensive income for the year		**1,119.51**	**661.89**
Earnings per equity share [nominal value of ₹ 10 fully paid (31 March 2021 - ₹ 10 fully paid)]			
Basic and diluted (amount in ₹)	38	11.90	6.91
Summary of significant accounting policies	2.2		

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership No.: 065155

Place : Bengaluru, India
Date : 20 May 2022

for and on behalf of the Board of Directors of
Sobha Limited

Ravi PNC Menon
Chairman
DIN: 02070036

Jagadish Nangineni
Managing Director
DIN: 01871780

Yogesh Bansal
Chief Financial Officer

Vighneshwar G Bhat
Company Secretary and Compliance Officer

Place Bengaluru, India
Date: 20 May 2022

SOBHA LIMITED

STANDALONE STATEMENT OF CHANGES IN EQUITY

a. Equity share capital

	No. of shares in million	Amount in ₹ million
Equity shares of ₹ 10 each issued, subscribed and fully paid		
Balance as at 1 April 2020	**94.84**	**948.46**
Balance as at 31 March 2021	**94.84**	**948.46**
Balance as at 1 April 2021	**94.84**	**948.46**
Balance as at 31 March 2022	**94.84**	**948.46**

b. Other equity

in ₹ million

	Attributable to owners of the Company						
	Reserves and Surplus					Items of OCI	Total
	Capital redemption reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	Other items of OCI	
As at 1 April 2020	**119.47**	**9,328.92**	**-**	**4,170.11**	**8,313.65**	**(7.84)**	**21,924.31**
Profit for the year	-	-	-	-	655.39	-	655.39
Other comprehensive income (net of tax)	-	-	-	-	-	6.50	6.50
Total comprehensive income	**119.47**	**9,328.92**	**-**	**4,170.11**	**8,969.04**	**(1.34)**	**22,586.20**
Transfer to other reserves							
General reserve	-	-	-	65.54	(65.54)	-	-
Total transfer to other reserves	**-**	**-**	**-**	**65.54**	**(65.54)**	**-**	**-**
Transaction with owners, recorded directly in equity							
Distribution to owners							
Dividend (including dividend distribution tax) refer note 18	-	-	-	-	(663.92)	-	(663.92)
Total distribution to owners	**-**	**-**	**-**	**-**	**(663.92)**	**-**	**(663.92)**
As at 31 March 2021	**119.47**	**9,328.92**	**-**	**4,235.65**	**8,239.58**	**(1.34)**	**21,922.28**
As at 1 April 2021	**119.47**	**9,328.92**	**-**	**4,235.65**	**8,239.58**	**(1.34)**	**21,922.28**
Profit for the year	-	-	-	-	1,128.52	-	1,128.52
Other comprehensive income (net of tax)	-	-	-	-	-	(9.01)	(9.01)
Total comprehensive income	**119.47**	**9,328.92**	**-**	**4,235.65**	**9,368.10**	**(10.35)**	**23,041.79**
Transfer to other reserves							
General reserve	-	-	-	112.85	(112.85)	-	-
Total transfer to other reserves	**-**	**-**	**-**	**112.85**	**(112.85)**	**-**	**-**
Transaction with owners, recorded directly in equity Distribution to owners							
Dividend (including dividend distribution tax) refer note 18	-	-	-	-	(331.96)	-	(331.96)
Total distribution to owners	**-**	**-**	**-**	**-**	**(331.96)**	**-**	**(331.96)**
As at 31 March 2022	**119.47**	**9,328.92**	**-**	**4,348.50**	**8,923.29**	**(10.35)**	**22,709.83**

Summary of significant accounting policies 2.2

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership No.: 065155

Place : Bengaluru, India
Date : 20 May 2022

for and on behalf of the Board of Directors of
Sobha Limited

Ravi PNC Menon
Chairman
DIN: 02070036

Jagadish Nangineni
Managing Director
DIN: 01871780

Yogesh Bansal
Chief Financial Officer

Vighneshwar G Bhat
Company Secretary and Compliance Officer

Place Bengaluru, India
Date: 20 May 2022

SOBHA LIMITED
STANDALONE STATEMENT OF CASH FLOWS

in ₹ million

Particulars	For the year ended 31 March 20222	For the year ended 31 March 2021
Cash flows from operating activities		
Profit before tax	**1,526.61**	**746.64**
Adjustments to reconcile profit before tax to net cash flows from operating activities		
Depreciation and amortization expense	569.12	656.30
Depreciation of investment properties	111.30	98.66
Gain on sale of other property	(221.36)	-
Gain on sale of property, plant and equipment	(132.86)	(1.69)
Finance income (including fair value change in financial instruments)	(399.41)	(451.73)
Finance costs (including fair value change in financial instruments)	7,283.26	5,759.58
Allowance for credit loss	18.52	191.70
Bad debts written off	3.54	-
Share of profit from sale of interest in partnership firm	-	(144.25)
Share of (profit)/ loss from investment in partnership firm	5.73	(138.43)
Working capital adjustments		
(Increase) / Decrease in trade receivables	(1,995.72)	1,299.97
Increase in inventories	(2,791.97)	(3,280.21)
Decrease in other financial assets	896.37	1,388.32
Decrease in other assets	978.60	53.83
Decrease in trade payables and other financial liabilities	(368.73)	(1,223.81)
Increase / (Decrease) in provisions	39.29	(6.10)
Increase in other non-financial liabilities	2,925.96	1,742.50
Cash generated from operating activities	**8,448.25**	**6,691.28**
Income tax paid (net of refund)	(464.83)	(280.73)
Net cash flows from/ (used in) operating activities (A)	**7,983.42**	**6,410.55**
Cash flows from investing activities		
Purchase of property, plant and equipment	(256.52)	(444.73)
Proceeds from sale of other property	480.82	-
Proceeds from sale of property, plant and equipment	180.49	2.03
Proceeds from sale of interest in partnership firm	-	144.25
Loan to subsidiaries	(9.43)	(126.77)
Contribution to partnership current account	(417.13)	(440.01)
Investments in fixed deposits (net)	(74.18)	(184.04)
Interest received	32.05	132.26
Net cash flows used in investing activities (B)	**(63.90)**	**(917.01)**
Cash flows from financing activities		
Proceeds from long-term borrowings	4,286.72	1,718.45
Repayment of long-term borrowings	(419.99)	(174.73)
Proceeds from short-term borrowings	8,848.89	14,167.21
Repayment of short-term borrowings	(17,691.25)	(16,436.47)
Lease payments	(29.06)	(22.70)
Interest paid	(2,809.70)	(3,105.80)
Dividend paid on equity shares	(331.97)	(664.10)
Net cash flows used in financing activities (C)	**(8,146.36)**	**(4,518.14)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(226.84)	975.40
Cash and cash equivalents at the beginning of the year (refer note 14)	1,572.88	597.48
Cash and cash equivalents at the end of the year (refer note 14)	**1,346.04**	**1,572.88**
Less: Book overdraft from scheduled banks	(271.10)	(240.39)
Cash and cash equivalents at the end of the year	**1,074.94**	**1,332.49**

Summary of significant accounting policies 2.2

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership No.: 065155

Place : Bengaluru, India
Date : 20 May 2022

for and on behalf of the Board of Directors of
Sobha Limited

Ravi PNC Menon
Chairman
DIN: 02070036

Jagadish Nangineni
Managing Director
DIN: 01871780

Yogesh Bansal
Chief Financial Officer

Vighneshwar G Bhat
Company Secretary and Compliance Officer

Place Bengaluru, India
Date: 20 May 2022

1 Corporate information

Sobha Limited ('Company' or 'SL') was incorporated on 7 August 1995. SL is a leading real estate developer engaged in the business of construction, development, sale, management and operation of all or any part of townships, housing projects, commercial premises and other related activities. The Company is also engaged in manufacturing activities related to interiors, glazing and metal works and concrete products which also provides backward integration to SL's turnkey projects.

The Company is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office is located at Bangalore. The Company's shares and debentures are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The standalone financial statements are approved for issue by the Company's Board of Directors on 20 May 2022.

2 Significant accounting policies

2.1 Basis of preparation

These financial statements are separate financial statements prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provision of the Act.

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

2.2 Summary of significant accounting policies

a) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue includes excise duty, since the recovery of excise duty flows to the Company on its own account. However, sales tax/value added tax (VAT)/Goods and Services Tax (GST) is not received by the Company on its own account. These taxes are collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

i. Recognition of revenue from contractual projects

If the outcome of contractual contract can be reliably measured, revenue associated with the construction contract is recognised by reference to the stage of completion of the contract activity at year end (the percentage of completion method). The stage of completion on a project is measured on the basis of proportion of the contract work/ based upon the contracts/agreements entered into by the Company with its customers.

ii. Recognition of revenue from real estate projects

a. Recognition of revenue from property development

Revenue is recognized upon transfer of control of residential units to customers, in an amount that reflects the consideration the Company expects to receive in exchange for those residential units. The Company shall determine the performance obligations associated with the contract with customers at contract inception and also determine whether they satisfy the performance obligation over time or at a point in time. In case of residential units, the Company satisfies the performance obligation and recognises revenue at a point in time i.e., upon handover/deemed handover of the residential units.

Deemed handover of the residential units is considered upon intimation to the customers about receipt of occupancy certificate and receipt of total sale consideration.

To estimate the transaction price in a contract, the Company adjusts the promised amount of consideration for the time value of money if that contract contains a significant financing component. The Company when adjusting the promised amount of consideration for a significant financing component is to recognise revenue at an amount that reflects the cash selling price of the transferred residential unit.

b. Recognition of revenue from sale of land and development rights

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

iii. Recognition of revenue from manufacturing division

Revenue from sale of materials is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which coincides with dispatch of goods to the customers. Service income is recognised on the basis of completion of a physical proportion of the contract work/based upon the contracts/agreements entered into by the Company with its customers.

iv. Dividend income

Revenue is recognised when the shareholders' or unit holders' right to receive payment is established, which is generally when shareholder approve the dividend.

v. Share in profits of partnership firm investments

The Company's share in profits from a firm where the Company is a partner, is recognised on the basis of such firm's audited accounts, as per terms of the partnership deed.

vi. Rental income from operating leases

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

vii. Interest income

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

b) Property, plant and equipment

Property, plant and equipment are stated at their cost of acquisition/construction, net of accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

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

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the property, plant and equipment is derecognised.

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

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

c) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

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

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in statement of profit and loss in the period of derecognition.

d) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets, comprising of software and intellectual property rights are amortized on a straight line basis over a period of 3 years, which is estimated to be the useful life of the asset and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

e) Depreciation on property, plant and equipment

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

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

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

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

f) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that any non-financial asset may be impaired. If any indication exists, or when annual impairment testing for a non-financial 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.

g) 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.

h) 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:

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

The 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 up to 5 years. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of up to 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.

i) Fair value measurement

The Company measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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.

j) 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.

Classification and subsequent measurement

On initial recognition, financial asset is classified as measured at:

- amortised cost
- fair value through other comprehensive income (FVTOCI) - debt investment
- fair value through other comprehensive income (FVTOCI) - equity investment
- fair value through profit or loss (FVTPL)

Financial assets at amortised cost

A 'financial asset' is measured at the amortised cost if both the following conditions are met and is not designated as FVTPL:

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 statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt investment at Fair value through Other comprehensive income (FVTOCI)

A 'Debt investment' is classified as at the FVTOCI if both of the following criteria are met and is not designated as FVTPL:

a) the objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, 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.

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

Financial assets at Fair Value Through Profit or Loss (FVTPL)

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Financial assets 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 financial asset, 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 financial asset as at FVTPL.

Equity investments in subsidiaries and joint ventures

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

Derecognition

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

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

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

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Classification, subsequent measurement and gains and losses

The financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is as derivative or deginated as such on initial recognition. Financial liabilities measured as FVTPL are measured at fair value and net gains or losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

Derecognition

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

k) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with borrowings of funds. 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.

l) 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.

m) Employee benefits

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

ii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Company makes contributions to Sobha Developers Employees Gratuity Trust ('the trust') to discharge the gratuity liability to employees. Provision towards gratuity, a defined benefit plan, is made for the difference between actuarial valuation by an independent actuary and the fund balance, as at the year-end. The cost of providing benefits under gratuity is determined on the basis of actuarial valuation using the projected unit credit method at each year end.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of

- The date of the plan amendment or curtailment, and
- The date that the company recognises related restructuring costs

  Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period for which the services are rendered by the employee.

n) 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.

o) 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.

p) 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 and buy back

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.

q) 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.

r) Inventories

Related to contractual and real estate activity

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

i. Work-in-progress - Contractual: Cost of work yet to be certified/ billed, as it pertains to contract costs that relate to future activity on the contract, are recognised as contract work-in-progress provided it is probable that they will be recovered. Contractual work-in-progress is valued at lower of cost and net realisable value.

ii. Work-in-progress - Real estate projects (including land inventory): Represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised. Real estate work-in-progress is valued at lower of cost and net realisable value.

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

iv. Finished goods - Plots: Valued at lower of cost and net realisable value.

v. Building materials purchased, not identified with any specific project are valued at lower of cost and net realisable value. Cost is determined based on a weighted average basis.

vi. Land inventory: Valued at lower of cost and net realisable value.

Related to manufacturing activity

i. Raw materials are valued at lower of cost and net realisable value. Cost is determined based on a weighted average basis.

ii. Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

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.

s) 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 Company, whereupon it is transferred to land stock under inventories.

Land/ development rights received under joint development arrangements is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. Further, non-refundable deposit amount paid by the Company under joint development arrangements is recognised as land advance under other assets and on the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress.

t) Leases

Where the Company is lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased asset, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance costs in the statement of profit and loss.

Right of use asset is depreciated on a straight-line basis over the lower of the lease term or the estimated useful life of the asset unless there is reasonable certainty that the Company will obtain ownership, wherein such assets are depreciated over the estimated useful life of the asset.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

u) 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 judgements, estimates and assumptions

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

a) Judgements

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

Classification of property

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

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

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

b) Estimates and assumptions

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

i) Revenue recognition, contract costs and valuation of unbilled revenue

The Company uses the percentage-of-completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its contractual projects. The percentage of completion is measured by reference to the stage of the projects and contracts determined based on the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

ii) 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.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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 Company 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.

iii) Accounting for advance from customer considering the time value of money

When determining whether a contract includes a significant financing component, the Company considers the period between performance and payment for that performance. For contracts where revenue is recognised at a point in time, the period considered is that between transfer of control of the good and the payment. Therefore, if payment for a property is made before the date on which control is transferred, an assessment is required of whether the contract includes a significant financing component, especially if the period is greater than twelve months.

Advanced payments from the customer lead to higher amount of revenue being recognised than the contract price because the Company accepts a lower amount in return for financing. As the entity recognises the interest expense related to the financing component, the corresponding amount is recorded as a contract liability/revenue.

iv) Estimation of net realisable value for inventory property (including land advances)

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.

With respect to land advance given, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

c) **Recent pronouncements**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from 1 April 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any impact in its financial statements.

SOBHA LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

4. Property, plant and equipment

in ₹ million

Particulars	Freehold land	Factory buildings	Other buildings	Plant and machinery	Scaffolding items	Furniture and fixtures	Vehicles	Computers	Office equipment	Total
Cost										
As at 1 April 2020	**81.90**	**659.38**	**1,199.18**	**1,648.38**	**1,572.73**	**41.21**	**8.60**	**115.99**	**27.95**	**5,355.32**
Additions during the year	-	2.23	6.57	58.23	289.36	2.70	1.78	28.21	1.88	390.96
Deletions during the year	-	-	-	(4.35)	(0.43)	(0.02)	-	(0.16)	(0.04)	(5.00)
As at 31 March 2021	**81.90**	**661.61**	**1,205.75**	**1,702.26**	**1,861.66**	**43.89**	**10.38**	**144.04**	**29.79**	**5,741.28**
Additions during the year	-	-	0.01	54.27	118.97	2.89	0.03	32.97	4.14	213.28
Deletions during the year	(14.82)	(12.24)	-	(11.84)	(28.79)	-	(0.11)	(1.61)	(0.04)	(69.45)
As at 31 March 2022	**67.08**	**649.37**	**1,205.76**	**1,744.69**	**1,951.84**	**46.78**	**10.30**	**175.40**	**33.89**	**5,885.11**
Accumulated depreciation										
As at 1 April 2020	**-**	**391.25**	**310.41**	**766.02**	**905.12**	**26.14**	**5.91**	**90.01**	**18.71**	**2,513.57**
Charge for the year	-	105.64	59.05	206.26	184.03	3.41	0.59	21.28	4.34	584.60
Deletions during the year	-	-	-	(4.02)	(0.43)	(0.01)	-	(0.16)	(0.04)	(4.66)
As at 31 March 2021	**-**	**496.89**	**369.46**	**968.26**	**1,088.72**	**29.54**	**6.50**	**111.13**	**23.01**	**3,093.51**
Charge for the year	-	68.69	44.35	161.83	187.69	2.96	0.84	27.79	3.79	497.94
Deletions during the year	-	(7.49)	-	(8.29)	(4.39)	-	(0.07)	(1.54)	(0.04)	(21.82)
As at 31 March 2022	**-**	**558.09**	**413.81**	**1,121.80**	**1,272.02**	**32.50**	**7.27**	**137.38**	**26.76**	**3,569.63**
Carrying amount										
As at 31 March 2022	**67.08**	**91.28**	**791.95**	**622.89**	**679.82**	**14.28**	**3.03**	**38.02**	**7.13**	**2,315.48**
As at 31 March 2021	**81.90**	**164.72**	**836.29**	**734.00**	**772.94**	**14.35**	**3.88**	**32.91**	**6.78**	**2,647.77**

Note:

a) **Property, plant and equipment**
Property, plant and equipment with a carrying amount of ₹601.02 million (31 March 2021 - ₹1,420.16 million) are subject to a first charge to secure the Company's bank loans.

5. Investment property

in ₹ million

	Other buildings	Other assets forming part of Building: Plant and machinery	Other assets forming part of Building: Furniture and fixtures	Total
Cost				
As at 1 April 2020	**-**	**-**	**-**	**-**
Additions during the year	1,652.99	137.26	-	1,790.25
As at 31 March 2021	**1,652.99**	**137.26**	**-**	**1,790.25**
Additions during the year	302.42	-	-	302.42
As at 31 March 2022	**1,955.41**	**137.26**	**-**	**2,092.67**
Accumulated depreciation				
As at 1 April 2020	-	-	-	-
Charge for the year	73.82	24.84	-	98.66
As at 31 March 2021	**73.82**	**24.84**	**-**	**98.66**
Charge for the year	90.95	20.35	-	111.30
As at 31 March 2022	**164.77**	**45.19**	**-**	**209.96**
Carrying amount				
As at 31 March 2022	**1,790.64**	**92.07**	**-**	**1,882.71**
As at 31 March 2021	**1,579.17**	**112.42**	**-**	**1,691.59**

Investment property with a carrying amount of ₹1,882.71 million (31 March 2021 - ₹1,691.59 million) are subject to a first charge to secure the Company's loans.

Note:

Information regarding income and expenditure of investment property	**31 March 2022 ₹ million**	**31 March 2021 ₹ million**
Rental income derived from investment properties	**297.32**	**121.08**
Direct operating expenses (including repairs and maintenance) generating rental income	(55.50)	(29.85)
Direct operating expenses (including repairs and maintenance) that did not generate rental income		
Profit arising from investment properties before depreciation and indirect expenses	**241.82**	**91.23**
Less:- Depreciation	(111.30)	(98.66)
Profit arising from investment properties before indirect expenses	**130.52**	**(7.43)**

The fair value of Investment property is ₹4,432 million (31 March 2021 - ₹3,967 million). These valuations are based on valuations performed by Registered Valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Fair value hierarchy for investment properties have been provided in Note 47b.

6 Investment property under construction

in ₹ million

	Investment property under construction	Total
As at 1 April 2020	**2,323.14**	**2,323.14**
Additions during the year (refer note 46)	167.68	167.68
Capitalised during the year	(1,790.24)	(1,790.24)
As at 31 March 2021	**700.58**	**700.58**
Additions during the year (refer note 46)	-	-
Charged to cost of sale on sale of property	(449.07)	(449.07)
Capitalised as investment property during the year (refer note 46)	(251.51)	(251.51)
As at 31 March 2022	**-**	**-**

Investment property under construction ageing schedule

As at 31 March 2022 in ₹ million

	Amount of Investment property under construction for the period of				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Projects in progress	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

As at 31 March 2021 in ₹ million

	Amount of Investment property under construction for the period of				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
Projects in progress	-	135.50	178.02	387.06	700.58
Total	**-**	**135.50**	**178.02**	**387.06**	**700.58**

7 Intangible assets

in ₹ million

	Software	Intellectual property rights	Total
Cost			
As at 1 April 2020	**15.33**	**0.05**	**15.38**
Additions during the year	-	-	-
As at 31 March 2021	**15.33**	**0.05**	**15.38**
Additions during the year	-	-	-
As at 31 March 2022	**15.33**	**0.05**	**15.38**
Amortization and impairment			
As at 1 April 2020	**14.95**	**0.05**	**15.00**
Charge for the year	0.17	-	0.17
As at 31 March 2021	**15.12**	**0.05**	**15.17**
Charge for the year	0.07	-	0.07
As at 31 March 2022	**15.19**	**0.05**	**15.24**
Carrying amount			
As at 31 March 2022	**0.14**	**-**	**0.14**
As at 31 March 2021	**0.21**	**-**	**0.21**

8 Right of use assets

in ₹ million

	Other buildings	Vehicles	Plant and machinery	Total
Cost				
As at 1 April 2020	**-**	**93.53**	**90.73**	**184.26**
Additions during the year	143.77	45.56	-	189.33
Other adjustments		(15.14)	-	(15.14)
As at 31 March 2021	**143.77**	**123.95**	**90.73**	**358.45**
Additions during the year	-	24.37	-	24.37
Deletions during the year	-	(4.61)	-	(4.61)
As at 31 March 2022	**143.77**	**143.71**	**90.73**	**378.21**
Accumulated depreciation				
As at 1 April 2020	**-**	**33.73**	**22.34**	**56.07**
Charge for the year	19.04	30.28	22.21	71.53
Other adjustments		(15.14)	-	(15.14)
As at 31 March 2021	**19.04**	**48.87**	**44.55**	**112.46**
Charge for the year	17.68	31.15	22.28	71.11
Deletions during the year	-	(4.61)	-	(4.61)
As at 31 March 2022	**36.72**	**75.41**	**66.83**	**178.96**
Carrying amount				
As at 31 March 2022	**107.05**	**68.30**	**23.90**	**199.25**
As at 31 March 2021	**124.73**	**75.08**	**46.18**	**245.99**

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

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Raw materials and components	636.87	545.68
Building materials	75.80	77.55
Land stock *	10,607.32	12,037.89
Work-in-progress *	48,083.87	43,437.87
Stock in trade - flats *	10,889.47	11,362.75
Finished goods	58.91	53.53
	70,352.24	**67,515.27**

* Carrying amount of inventories pledged as securities against borrowings as at 31 March 2022 - ₹39,019.57 million (31 March 2021 - ₹34,653.23 million)

10 Investments

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Non-current investments:		
Investments carried at cost		
Trade investments (valued at cost unless stated otherwise)		
Unquoted equity shares		
Investment in subsidiaries		
199,999 (31 March 2021 - 199,999) Class A equity shares of ₹10 each fully paid-up in Sobha Highrise Ventures Private Limited	2.00	2.00
10,200,000 (31 March 2021 - 10,200,000) Class C equity shares of ₹33.90 each fully paid-up in Sobha Highrise Ventures Private Limited	345.78	345.78
2,500,000 (31 March 2021 - 2,500,000) Class D equity shares of ₹10 each fully paid-up in Sobha Highrise Ventures Private Limited	25.00	25.00
526,320 (31 March 2021 - 526,320) equity shares of ₹1 each fully paid-up in Sobha Developers (Pune) Limited	986.41	986.41
50,000 (31 March 2021 - 50,000) equity shares of ₹10 each fully paid-up in Sobha Nandambakkam Developers Limited	13.74	13.74
50,002 (31 March 2021 - 50,002) equity shares of ₹10 each fully paid-up in Sobha Tambaram Developers Limited	2.24	2.24
10,000 (31 March 2021 - 10,000) equity shares of ₹10 each fully paid-up in Sobha Assets Private Limited	0.10	0.10
10,00,000 (31 March 2021 - 10,00,000) equity shares of ₹10 each fully paid-up in Sobha Construction Products Private Limited	10.00	10.00
Unquoted preference instruments (in the nature of equity)		
Investment in subsidiary		
7,700,000 (31 March 2021 - 7,700,000) compulsorily convertible preference shares of ₹10 each fully paid-up in Sobha Highrise Ventures Private Limited	77.00	77.00
Investment in the capital of partnership firm (Subsidiary)		
99% (31 March 2021 - 99%) share in the profits of partnership firm:		
Sobha City - Capital account	399.99	399.99
Sobha City - Current account	1,259.42	842.77
Consideration paid for additional share in capital and profit of the partnership firm	128.00	128.00
Investment in the capital of partnership firm (Joint Venture)		
50% (31 March 2021 - 50%) share in the profits of partnership firm:		
Kondhwa Projects LLP - Current account	1,148.73	1,142.52
Total investments carried at cost	**4,398.41**	**3,975.55**

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Investments carried at fair value through profit and loss (FVTPL)		
Investments at amortized cost		
Government and trust securities (unquoted)		
National savings certificates	0.08	0.08
Investments at fair value through profit or loss	-	-
Total investments carried at amortised cost	**0.08**	**0.08**
Total investments	**4,398.49**	**3,975.63**
Aggregate amount of unquoted investments	**4,398.49**	**3,975.63**
Aggregate amount of impairment in value of investments	**-**	**-**

11 Trade receivables

in ₹ million

	Current		Non-current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Trade receivables				
Unsecured, considered good	3,502.14	1,934.98	564.23	423.99
Unsecured, considered doubtful	652.52	637.54	-	-
	4,154.66	**2,572.52**	**564.23**	**423.99**
Less: Allowances for credit loss	(652.52)	(637.54)	-	-
Net trade receivables	**3,502.14**	**1,934.98**	**564.23**	**423.99**

Trade receivable ageing schedule

As at 31 March 2022 in ₹ million

	Outstanding for following periods from due date of payment					
	Less than 6 months	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade receivables-considered good	1,534.65	387.14	1,191.39	655.08	298.11	4,066.37
Undisputed Trade receivables-considered doubtful	6.34	8.64	28.15	104.46	504.93	652.52
Undisputed Trade receivables-credit impaired	(6.34)	(8.64)	(28.15)	(104.46)	(504.93)	(652.52)
Disputed Trade receivables-considered good	-	-	-	-	-	-
Disputed Trade receivables-considered doubtful	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-
Total	**1,534.65**	**387.14**	**1,191.39**	**655.08**	**298.11**	**4,066.37**

As at 31 March 2021 in ₹ million

	Outstanding for following periods from due date of payment					
	Less than 6 months	**6 months-1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Undisputed Trade receivables-considered good	1,046.20	318.66	809.48	47.07	137.56	2,358.97
Undisputed Trade receivables-considered doubtful	173.00	18.70	61.52	52.11	332.21	637.54
Undisputed Trade receivables-credit impaired	(173.00)	(18.70)	(61.52)	(52.11)	(332.21)	(637.54)
Disputed Trade receivables-considered good	-	-	-	-	-	-
Disputed Trade receivables-considered doubtful	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-
Total	**1,046.20**	**318.66**	**809.48**	**47.07**	**137.56**	**2,358.97**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

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

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

12 Other financial assets

in ₹ million

	Current		Non-current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good				
Refundable deposit towards joint development agreement	2,889.50	3,677.32	1,190.56	1,152.66
Less: Allowances for credit loss	(50.55)	(73.02)	-	-
	2,838.95	**3,604.30**	**1,190.56**	**1,152.66**
Unsecured, considered good				
Security deposits	132.78	126.66	207.45	201.14
Loans to related parties (refer note 35 & 51)	342.88	303.45	-	-
Others	1,893.82	1,987.11	-	-
Non-current bank balances*	-	-	143.05	60.60
	5,208.43	**6,021.52**	**1,541.06**	**1,414.40**

* Bank deposits due to mature after twelve months from the reporting date.

13 Other assets

in ₹ million

	Current		Non-current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good				
Capital advances	-	-	323.37	298.61
Land advances (refer note 35)*	8,507.50	8,925.49	3,985.07	4,852.69
Advances recoverable in kind (refer note 35)**	386.87	418.99	-	-
Prepaid expenses	791.52	344.40	30.18	49.47
Balances with statutory/ government authorities	1,181.03	1,019.31	-	-
Contract assets (refer note 43)	2,839.52	3,094.56	-	-
Other receivables	-	-	-	-
	13,706.44	**13,802.75**	**4,338.62**	**5,200.77**

Contract assets ageing schedule

As at 31 March 2022 in ₹ million

	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Contract assets	276.86	-	1,025.33	1,537.33	-	2,839.52
Total	**276.86**	**-**	**1,025.33**	**1,537.33**	**-**	**2,839.52**

Other assets (continued)

As at 31 March 2021 in ₹ million

	Outstanding for following periods from due date of payment					
	Less than 6 months	**6 months- 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
Contract assets	635.95	389.38	1,537.33	227.65	304.25	3,094.56
Total	**635.95**	**389.38**	**1,537.33**	**227.65**	**304.25**	**3,094.56**

*Advances for land though unsecured, are considered good as the advances have been given based on arrangements/ memorandum of understanding executed by the Company and the Company/ seller/ intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation.

**Advances recoverable in cash or kind due by Directors or other officers or companies in which Directors are interested

in ₹ million

	Current		Non-current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Advances recoverable in cash or kind Dues from Sobha Assets Private Limited, in which the Company's director is a director	87.24	87.24	-	-

14 Cash and cash equivalents

in ₹ million

	Current	
	As at 31 March 2022	As at 31 March 2021
Cash on hand	15.83	8.10
Cheques/ drafts on hand	74.98	147.66
Balances with banks:		
– On current accounts	1,255.23	1,417.12
	1,346.04	**1,572.88**

15 Bank balance other than cash and cash equivalents

in ₹ million

	Current	
	As at 31 March 2022	As at 31 March 2021
Bank balance other than cash and cash equivalents		
– On unclaimed dividend account	2.32	2.33
– Margin money deposit	382.02	390.28
	384.34	**392.61**

Margin money deposits given as security

Margin money deposits with a carrying amount of ₹525.08 million (31 March 2021 -₹450.88 million) are subject to first charge to secure the Company's borrowings.

Short-term deposits are made for varying periods of between seven day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates.

16 Equity share capital

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Authorised shares		
150,000,000 (31 March 2021 - 150,000,000) equity shares of ₹10 each	1,500.00	1,500.00
5,000,000 (31 March 2021 - 5,000,000) 7% redeemable preference shares of ₹100 each	500.00	500.00
Issued, subscribed and fully paid-up shares		
94,845,853 (31 March 2021 - 94,845,853) equity shares of ₹10 each fully paid up	948.46	948.46
Total issued, subscribed and fully paid-up share capital	**948.46**	**948.46**

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

	31 March 2022		31 March 2021	
	No of shares	₹ million	No of shares	₹ million
Equity shares				
At the beginning of the year	94,845,853	948.46	94,845,853	948.46
Outstanding at the end of the year	**94,845,853**	**948.46**	**94,845,853**	**948.46**

(b) Terms/ rights attached to equity shares

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

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

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

	31 March 2022		31 March 2021	
	No of shares in million	Holding percentage	No of shares in million	Holding percentage
Equity shares of ₹10 each fully paid up				
Mrs. Sobha Menon	28.73	30.29%	28.73	30.29%
Mr. P.N.C. Menon	12.06	12.71%	11.06	11.66%
Mr. P.N.C. Menon (inclusive of joint holding with Mrs. Sobha Menon)	5.29	5.58%	5.29	5.58%
Anamudi Real Estates LLP	9.48	9.99%	9.48	10.00%
Schroder International Selection Fund Emerging Asia	5.54	5.84%	6.24	6.58%
Franklin India Focused Equity Fund	5.57	5.87%	4.80	5.06%

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 represents both legal and beneficial ownership of shares.

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

31 March 2022

Promoter Name	No. of shares in million at the beginning of the year	Change during the year	No. of shares in million at the end of the year	% of Total Shares	% change during the year
Mrs. Sobha Menon	28.73	-	28.73	30.29	-
Mr. P.N.C. Menon	12.06	-	12.06	12.71	-
Mr. P.N.C. Menon (inclusive of joint holding with Mrs. Sobha Menon)	5.29	-	5.29	5.58	-
Mr. Ravi PNC Menon	3.19	-	3.19	3.36	-

31 March 2021

Promoter Name	No. of shares in million at the beginning of the year	Change during the year	No. of shares in million at the end of the year	% of Total Shares	% change during the year
Mrs. Sobha Menon	28.73	-	28.73	30.29	-
Mr. P.N.C. Menon	12.06	-	12.06	12.71	-
Mr. P.N.C. Menon (inclusive of joint holding with Mrs. Sobha Menon)	5.29	-	5.29	5.58	-
Mr. Ravi PNC Menon	2.99	0.20	3.19	3.36	-

17 Other equity

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Capital redemption reserve		
Balance at the beginning and end of the year	119.47	119.47
Closing balance	**119.47**	**119.47**
Securities premium		
Balance at the beginning and end of the year	9,328.92	9,328.92
Closing balance	**9,328.92**	**9,328.92**
General reserve		
Balance at the beginning of the year	4,235.65	4,170.11
Add: Transfer from statement of profit and loss	112.85	65.54
Closing balance	**4,348.50**	**4,235.65**
Surplus in the statement of profit and loss		
Balance at the beginning of the year	8,238.24	8,305.81
Profit for the year	1,128.52	655.39
Other comprehensive income		
Re-measurement gains/ (loss) on defined benefit plans	(9.01)	6.50
Less: Appropriations		
Dividend (including dividend distribution tax) refer note 18	(331.96)	(663.92)
Transfer to general reserve	(112.85)	(65.54)
Net surplus in the statement of profit and loss	**8,912.94**	**8,238.24**
Total other equity	**22,709.83**	**21,922.28**

Nature and purpose of reserve

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

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

c) **General reserve**
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

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

18 Distribution made and proposed

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Cash dividend on equity shares paid		
Final dividend for the year ended 31 March 2021 paid during the current year - ₹3.5 per share (31 March 2020- ₹7 per share)	331.96	663.92
	331.96	**663.92**
Proposed dividend on equity shares		
Final dividend proposed for the year ended 31 March 2022- ₹3 per share (31 March 2021- ₹3.5 per share)	284.54	331.96
	284.54	**331.96**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March 2022.

19 Borrowings

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Non-current borrowings		
Secured loans		
Term loans from banks	6,866.77	3,187.76
Term loans from financial institutions	192.30	-
Finance lease obligations	40.02	67.97
Equipment loans	-	-
	7,099.09	**3,255.73**
Amount disclosed under the head “other current financial liabilities” (refer note 20)	(423.15)	(420.00)
Total non-current borrowings	**6,675.94**	**2,835.73**
Current borrowings		
Secured debentures		
8.75% Non listed debentures	495.09	-
Secured loans		
Term loans from banks*	11,097.67	15,992.65
Term loans from financial institutions*	2,666.45	6,270.66
Finance lease obligations	60.87	61.98
Cash credit from banks	2,993.25	3,840.71
	16,818.24	**26,166.00**
Total current borrowings	**17,313.33**	**26,166.00**

* Term loan from banks and financial institutions represents amount repayable within the operating cycle amounting to ₹ 16,757.37 million (31 March 2021 - ₹26,104.02 million).

As at 31 March 2021, the Company is not in breach of any covenants as defined in the loan agreements.

Terms and repayment schedule

Non-current borrowings
Secured loans

in ₹ million

Particulars	Carrying amount as at 31 March 2022	Carrying amount as at 31 March 2021	Effective interest rate	Security Details	Repayment terms
Term loans from banks	1,527.98	1,576.82	7%-9%	Secured by equitable mortgage of project specific inventory and certain receivables of the Company and maintaining Debt Service Reserve account equal to 2 months interest & principal.	153 Structured Monthly instalments, starting at the end of Moratorium 3 months from the date of disbursement - June -2020.
Term loans from banks	370.69	518.94	8%-10%	Secured by equitable mortgage of fixed assets of the Company.	Repayable in 16 equal quarterly instalments of ₹37.50 million from the date of disbursement.
Term loans from banks	873.69	1,092.00	8%-10%	Secured by equitable mortgage of certain land of the company.	Repayable in 20 equal quarterly instalments starting from 7th Month from the date of disbursement after 6 month moratorium period.
Term loans from banks	4,094.41	-	7%-9%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on receivables of the projects.	Repayable in 10 quarterly equal instalments commencing Q-14 to Q-23 from first disbursement.
Term loans from financial institutions	192.30	-	9%-11%	Secured by equitable mortgage of land stock and hypothecation pari-passu charge on the entire escrow receivables of the project.	Repayable in 48 unequal monthly instalments.

Secured debentures

in ₹ million

Particulars	Carrying amount as at 31 March 2022	Carrying amount as at 31 March 2021	Effective interest rate	Security Details	Repayment terms
Debentures	495.09	-	8.75%	Secured by equitable mortgage by pari passu charge over tangible immovable property of the company.	Debentures repayment has been linked to the collection account and will be get repaid accordingly based on the collection.

Current borrowings
Secured loans

in ₹ million

Particulars	Carrying amount as at 31 March 2022	Carrying amount as at 31 March 2021	Effective interest rate	Security Details	Repayment terms
Term loans from banks	374.63	-	8%-10%	Secured by equitable mortgage of certain Asset of the Company.	Repayable in 24 equal monthly instalments commencing from last day of every month from the date of disbursement.

Current borrowings
Secured loans (continued)

in ₹ million

Particulars	Carrying amount as at 31 March 2022	Carrying amount as at 31 March 2021	Effective interest rate	Security Details	Repayment terms
Term loans from banks	-	3,033.19	7%-9%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on receivables of the projects.	Repayable in 10 quarterly equal instalments commencing Q-14 to Q-23 from first disbursement.
Term loans from banks	452.33	-	8%-10%	Secured by equitable mortgage of certain Asset of the Company.	Repayable in 24 equal monthly instalments commencing from last day of every month from the date of disbursement.
Term loans from banks	-	697.79	7%-9%	Secured by charge on specific project inventory, current assets and receivables of the Company.	Repayable on demand (Sub limit of Cash Credit).
Term loans from banks	-	86.92	9%-11%	Secured by equitable mortgage of certain land stock of the Company.	Repayable in 12 quarterly instalments commencing from 30 June 2018.
Term loans from banks	-	260.72	9%-11%	Secured by equitable mortgage of certain land stock of the Company.	Repayable in 12 quarterly instalments commencing from 30 September 2018.
Term loans from banks	-	681.70	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in equal monthly instalments after 30 months moratorium period commencing from first disbursement.
Term loans from banks	1,783.96	1,985.76	8%-10%	Secured by equitable mortgage of certain land stock , project specific inventory and receivables of the Company and hypothecation of movable fixed assets of the Company.	Repayable on demand (Sub limit of Cash Credit).
Term loans from banks	-	48.09	8%-10%	Secured by equitable mortgage of certain land stock of the Company.	Repayable in equal monthly instalments after 12 months moratorium period commencing from first disbursement.
Term loans from banks	-	1,122.16	9%-11%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in equal quarterly instalments after 9 quarter moratorium period commencing from first disbursement.
Term loans from banks	511.60	1,044.25	8%-10%	Secured by equitable mortgage of certain land stock of the Company.	Repayable in 12 quarterly instalments commencing from 30 September 2018.
Term loans from banks	104.21	923.37	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on receivables of the projects.	Repayable in 5 quarterly equal instalments commencing Q-12 to Q-16 from first disbursement.
Term loans from banks	-	136.66	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in 10 quarterly equal instalments commencing Q-12 to Q-16 from first disbursement.

Current borrowings
Secured loans (continued)

in ₹ million

Particulars	Carrying amount as at 31 March 2022	Carrying amount as at 31 March 2021	Effective interest rate	Security Details	Repayment terms
Term loans from banks	134.56	347.87	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in 10 quarterly unequal instalments commencing Q-8 to Q-26 from first disbursement.
Term loans from banks	456.29	-	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in 10 quarterly equal instalments commencing from last day of every month from the date of disbursement..
Term loans from banks	1,794.87	1,042.19	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in 10 quarterly equal instalments commencing Q-15 to Q-24 from first disbursement.
Term loans from banks	510.00	510.00	8%-10%	Secured by equitable mortgage of certain land stock and receivables of the Company.	Repayable on demand (Sub limit of Cash Credit).
Term loans from banks	60.00	300.00	8%-10%	Secured by equitable mortgage of certain land stock and receivables of the Company.	Repayable on demand(Sub limit of Cash Credit).
Term loans from banks	348.12	574.27	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on receivables of the projects.	Repayable in 10 quarterly equal instalments commencing Q-11 to Q-20 from first disbursement.
Term loans from banks	787.06	1,001.64	8%-10%	Secured by equitable mortgage of property, hypothecation on scheduled company's share of receivables, Escrow account and maintaining of Debt Service Reserve account equal to three months interest.	Repayable in 24 monthly instalments commencing from 15 June 2022.
Term loans from banks	150.00	148.81	8%-10%	Secured by equitable mortgage of property, hypothecation on scheduled company's share of receivables, Escrow account and maintaining of Debt Service Reserve account equal to three months interest.	Repayable in 24 monthly instalments commencing from 15 June 2022.
Term loans from banks	-	500.00	8%-10%	Secured by equitable mortgage of certain land and receivables of the Company.	Repayable Rs.50Cr on 30.04.2021
Term loans from banks	-	16.67	7%-9%	Secured by equitable mortgage of certain land, specific project inventory, and receivables of the Company.	Repayable in 6 Monthly instalments starting from 7th Month from the date of disbursement after 6 month moratorium period

Current borrowings
Secured loans (continued)

in ₹ million

Particulars	Carrying amount as at 31 March 2022	Carrying amount as at 31 March 2021	Effective interest rate	Security Details	Repayment terms
Term loans from banks	-	83.33	9%-11%	Secured by equitable mortgage of certain land and receivables of the Company.	Repayable in 18 Monthly instalments starting from 7th Month from the date of disbursement after 6 month moratorium period.
Term loans from banks	479.30	476.63	8%-10%	Secured by equitable mortgage of certain land, specific project inventory, and receivables of the Company.	Repayable in 30 quarterly instalments starting from 31st quarter from the date of disbursement after 30 month moratorium period.
Term loans from banks	194.71	193.62	8%-10%	Secured by equitable mortgage of certain land, specific project inventory, and receivables of the Company.	Repayable in 16 quarterly instalments starting from 31st quarter from the date of disbursement after 30 month moratorium period.
Term loans from banks	91.17	187.06	8%-10%	Secured by equitable mortgage of certain land and receivables of the Company.	Repayable in 8 quarterly instalments starting from 13th Month from the date of disbursement after 12 month moratorium period.
Term loans from banks	-	442.04	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in 24 Monthly instalments starting from 31st Month from the date of disbursement after 30 month moratorium period.
Term loans from banks	-	147.91	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in 30 Monthly instalments starting from 31st Month from the date of disbursement after 30 month moratorium period.
Term loans from banks	0.11	-	8%-10%	Secured by equitable mortgage of certain land and receivables of the Company.	Repayable in 8 quarterly instalments starting from 13th Month from the date of disbursement after 12 month moratorium period.
Term loans from banks	500.00	-	8%-10%	Secured by equitable mortgage of certain land and receivables of the Company.	Repayable in 8 quarterly instalments starting from 13th Month from the date of disbursement after 12 month moratorium period.
Term loans from banks	698.29	-	8%-10%	Secured by equitable mortgage of certain land and receivables of the Company.	Repayable in 8 quarterly instalments starting from 13th Month from the date of disbursement after 12 month moratorium period.
Term loans from banks	688.44	-	8%-10%	Secured by charge on specific project inventory, current assets and receivables of the Company.	Repayable on demand(Sub limit of Cash Credit).

Current borrowings
Secured loans (continued)

in ₹ million

Particulars	Carrying amount as at 31 March 2022	Carrying amount as at 31 March 2021	Effective interest rate	Security Details	Repayment terms
Term loans from banks	570.46	-	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in 24 Monthly instalments starting from 31st Month from the date of disbursement after 30 month moratorium period.
Term loans from banks	407.56	-	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in 30 Monthly instalments starting from 31st Month from the date of disbursement after 30 month moratorium period.
Term loans from financial institutions	-	142.22	9%-11%	Secured by equitable mortgage of certain land stock , building and project specific inventory of the Company, leasehold rights of the company and hypothecation of receivables and Escrow account of the Company. Corporate guarantee of Group Company.	Repayable in 30 monthly instalments after principle moratorium period of 18 months.
Term loans from financial institutions	-	124.68	9%-11%	Secured by equitable mortgage of certain land stock and immovable properties, building and other assets of the project and first charge on receivables of the projects.	Repayable in 36 monthly instalments after principle moratorium period of 18 months from first disbursement.
Term loans from financial institutions	172.90	530.02	9%-11%	Secured by equitable mortgage of certain land stock and first charge on receivables of certain projects.	Repayable in 18 monthly instalments after principle moratorium period of 24 months from first disbursement.
Term loans from financial institutions	414.23	746.89	9%-11%	Secured by equitable mortgage of certain land stock and first charge on receivables of certain projects.	Repayable in 18 monthly instalments after principle moratorium period of 24 months from first disbursement.
Term loans from financial institutions	-	1,410.46	10%-12%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on receivables of company's share of receivables of the projects.	Repayable in 24 monthly instalments after principle moratorium period of 30 months from first disbursement.
Term loans from financial institutions	406.58	-	9%-11%	Secured by equitable mortgage of land stock and hypothecation pari-passu charge on the entire escrow receivables of the project.	Repayable in equal monthly instalments staring from 12th month moratorium starts from date of first disbursement.
Term loans from financial institutions	48.82	-	9%-11%	Secured by equitable mortgage of certain land stock and immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in 36 monthly instalments after principle moratorium period of 18 months from first disbursement.

Current borrowings
Secured loans (continued)

in ₹ million

Particulars	Carrying amount as at 31 March 2022	Carrying amount as at 31 March 2021	Effective interest rate	Security Details	Repayment terms
Term loans from financial institutions	185.13	-	9%-11%	Secured by equitable mortgage of certain land stock and immovable properties, building and other assets of the project and first charge on receivables company's share of receivables of the projects.	Repayable in 24 monthly instalments ₹3.75cr each & 30 monthly instalments ₹2.67cr each after principle moratorium period of 30 months from first disbursement.
Term loans from financial institutions	369.27	889.03	9%-11%	Secured by equitable mortgage of certain land stock and first charge on receivables certain projects.	Repayable in 18 monthly instalments after principle moratorium period of 24 months from first disbursement.
Term loans from financial institutions	375.22	816.61	9%-11%	Secured by equitable mortgage of certain land stock and first charge on receivables certain projects.	Repayable in equal monthly instalments starting from 7th month from first disbursement.
Term loans from financial institutions	-	278.51	9%-11%	Secured by equitable mortgage of land stock and hypothecation pari-passu charge on the entire escrow receivables of the project.	Repayable in 48 unequal monthly instalments
Term loans from financial institutions	48.76	447.08	9%-11%	Secured by equitable mortgage of certain land stock and first charge on receivables certain projects.	Repayable in 11 quarterly instalments after principle moratorium period of 3 months from first disbursement.
Term loans from financial institutions	645.54	885.16	9%-11%	Secured by equitable mortgage of certain land stock and first charge on receivables certain projects.	Repayable in 24 Monthly instalments after principle moratorium period of 24 months from first disbursement.
Cash credit	1,473.89	1,949.44	9%-11%	Secured by way of equitable mortgage of certain land stock and certain receivables of the Group Company.	Repayable on demand
Cash credit	173.54	175.72	7%-9%	Secured by equitable mortgage of certain land stock , specific project inventory, and receivables of the Company.	Repayable on demand
Cash credit	6.08	9.41	7%-9%	Secured by equitable mortgage of certain land stock , specific project inventory, and receivables of the Company.	Repayable on demand
Cash credit	0.03	-	7%-9%	Secured by equitable mortgage of certain land stock , specific project inventory, and receivables of the Company.	Repayable on demand
Cash credit	-	1.63	10%-12%	Secured by equitable mortgage of certain land stock and receivables of the Company.	Repayable on demand
Cash credit	129.55	197.42	8%-10%	Secured by equitable mortgage of certain land stock and receivables of the Company.	Repayable on demand
Cash credit	14.46	7.71	8%-10%	Secured by equitable mortgage of certain land stock , project specific inventory and receivables of the Company and hypothecation of movable fixed assets of the Company.	Repayable on demand

Current borrowings
Secured loans (continued)

in ₹ million

Particulars	Carrying amount as at 31 March 2022	Carrying amount as at 31 March 2021	Effective interest rate	Security Details	Repayment terms
Cash credit	26.95	181.22	8%-10%	Secured by equitable mortgage of certain land stock and receivables of the Company.	Repayable on demand.
Cash credit	574.66	538.82	8%-10%	Secured by equitable mortgage of certain land stock and receivables of the Company.	Repayable on demand.
Cash credit	49.30	102.67	8%-10%	Secured by equitable mortgage of property, hypothecation on scheduled company's share of receivables, Escrow account and maintaining of Debt Service Reserve account equal to three months interest.	Repayable in 24 monthly instalments commencing from 15 June 2022.
Cash credit	0.24	-	7%-9%	Secured by equitable mortgage of certain land stock , specific project inventory, and receivables of the Company.	Repayable on demand.
Cash credit	11.62	8.64	8%-10%	Secured by equitable mortgage of certain land stock , project specific inventory and receivables of the Company and hypothecation of movable fixed assets of the Company. Corporate guarantee of Group Company.	Repayable on demand.
Cash credit	0.76	0.84	8%-10%	Secured by equitable mortgage of certain land stock , project specific inventory and receivables of the Company and hypothecation of movable fixed assets of the Company. Corporate guarantee of Group Company.	Repayable on demand.
Cash credit	231.02	-	8%-10%	Secured by equitable mortgage of certain land stock , project specific inventory and receivables of the Company and hypothecation of movable fixed assets of the Company. Corporate guarantee of Group Company.	Repayable on demand.
Cash credit	-	21.25	8%-10%	Secured by equitable mortgage of certain land stock , project specific inventory and receivables of the Company and hypothecation of movable fixed assets of the Company. Corporate guarantee of Group Company.	Repayable on demand.
Cash credit	301.15	645.94	8%-10%	Secured by equitable mortgage of certain land and receivables of the Company.	Repayable on demand
Total borrowings	**24,311.53**	**29,291.78**			

Details of collateral securities offered by related companies in respect of loans availed by the Company

in ₹ million

Nature of loan	Carrying amount as at		Year of maturity	Name of the Company
	31 March 2022	31 March 2021		
Term loans	587.00	1,279.21	2022	Sri Durga Devi Property Management Private Limited
Term loans				Sri Parvathy Land Developers Private Limited
Term loans	4,366.79	4,189.16	On Demand	Kilai Builders Private Limited
Term loans	726.00	1,100.00	2026	Sobha Interior Private Limited

20 Other financial liabilities

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Current		
Current maturities of long-term borrowings (refer note 19)	423.15	420.00
Letter of credit payable	2,701.64	2,459.77
Book overdraft from scheduled banks	271.10	240.39
Interest accrued but not due on borrowings	18.07	30.85
Unclaimed dividend*	2.32	2.33
Lease deposit	74.76	64.15
Deferred Lease Rental	3.53	7.82
Non-trade payable	251.53	207.18
Security deposit towards lease and maintenance services	2,005.21	2,034.35
Payable to related parties (refer note 35)	128.73	156.41
Payable for purchase of property, plant and equipment	2.36	20.84
Total other financial liabilities	**5,882.40**	**5,644.09**

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

21 Provisions

in ₹ million

	Current		Non-current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits				
Provision for gratuity (refer note 37)	73.12	66.50	174.70	151.46
Provision for compensated absence	81.43	72.00	-	-
	154.55	**138.50**	**174.70**	**151.46**

22 Income taxes

The significant components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

A. Amounts charged to statement of profit and loss

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Current income tax:		
Current income tax charge	580.69	98.78
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(182.60)	(7.53)
Income tax expense reported in the statement of profit and loss	**398.09**	**91.25**

B. Income tax recognised in other comprehensive income

in ₹ million

	31 March 2022	31 March 2021
Net loss/(gain) on remeasurements of defined benefit plans	-	-
Income tax charge to other comprehensive income	**-**	**-**

C. Reconciliation of effective tax rate

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Accounting profit before income tax	1,526.61	746.64
Tax on accounting profit at statutory income tax rate 25.17% (31 March 2021: 25.17%)*	384.25	187.93
Adjustments in respect of current income tax of previous years	-	-
Non-deductible expenses for tax purposes:		
Permanent disallowances	(28.16)	(147.53)
Others:	43.44	16.01
Non taxable income for tax purposes:		
Tax impact on profit/ (loss) from partnership firm	(1.44)	34.84
Other:		
Effect of increase in surcharge	-	-
MAT credit reversal/(entitlement)	-	-
At the effective income tax rate of 26.08% (31 March 2021: 12.22%)	398.09	91.25
Tax expense reported in the statement of profit and loss	**398.09**	**91.25**

* 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 for the year ended 31 March 2021 and has accordingly re-measured its deferred tax assets/(liabilities) basis the rate prescribed in the said section. Further, the MAT credit available from earlier years has been reversed in the previous year on the exercise of this said option.

D. Deferred tax

Deferred tax assets and liabilities relates to the following

in ₹ million

	Balance as at 1 April 2020	Movement during 2020-21	Balance as at 31 March 2021	Movement during 2021-22	Balance as at 31 March 2022
Interest u/s 36(1)(iii)-interest inventorised/capitalised in the books but claimed as expense in tax	(2,489.63)	(139.97)	(2,629.60)	(75.79)	(2,705.39)
Property, plant and equipment	137.06	(0.19)	136.87	(9.05)	127.82
Provision for compensated absence	20.83	(2.71)	18.12	2.37	20.49
Provision for gratuity	53.69	1.17	54.86	7.52	62.38
Provision for exgratia	-	-	-	-	-
Provision for doubtful debts	36.88	64.28	101.16	(6.05)	95.11
Difference of finance lease depreciation and interest as per books and rent allowed as per IT Act	1.51	0.57	2.08	(15.75)	(13.67)
Deferred tax adjustment for opening Ind AS adjustments	-	-	-	-	-
Deferred tax adjustment on adoption of Ind AS 115	1,975.64	82.20	2,057.84	282.37	2,340.21
Deferred tax adjustment for periods Ind AS adjustments*	-	-	-	-	-
Deferred tax expense / (income)	**-**	**5.35**	**-**	**185.62**	**-**
Net deferred tax assets / (liabilities)	**(264.02)**	**-**	**(258.67)**	**-**	**(73.05)**

(*) adjusted against current tax liability

Reconciliation of deferred tax assets/(liabilities), net:

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	**(258.67)**	**(264.02)**
Tax income/(expense) during the period recognised in profit or loss	(182.60)	(7.53)
Deferred tax adjustment on adoption of Ind AS 115	514.32	12.88
Tax income/(expense) during the period recognised in OCI	-	-
Closing balance	**73.05**	**(258.67)**

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

During the year ended 31 March 2022 and 31 March 2021, the Company has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Company believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

E. Liabilities for current tax (net)

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Current income tax:		
Opening	87.08	269.03
Add: Additions during the year	580.69	98.78
Less: MAT credit adjustment	-	-
Less: Payments during the year	(464.83)	(280.73)
	202.94	**87.08**

23 Trade payables

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Trade payables		
Land cost payable	-	200.00
Dues of micro enterprises and small enterprises	-	-
Dues of creditors other than micro enterprises and small enterprises	6,698.30	7,139.81
	6,698.30	**7,339.81**

Terms and conditions of the above financial liabilities:

Trade payables are non-interest bearing and are normally settled on 30 to 60 day terms. For explanations on the Company's credit risk management processes, refer to note 48.

Trade payable ageing schedule

As at 31 March 2022

in ₹ million

	Outstanding for following periods from due date of payment				
	Less than 1 year	**1-2 years**	**2-3 years**	**more than 3 years**	**Total**
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,626.68	2,582.83	85.83	402.96	6,698.30
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**3,626.68**	**2,582.83**	**85.83**	**402.96**	**6,698.30**

Trade payable ageing schedule

As at 31 March 2021

in ₹ million

	Outstanding for following periods from due date of payment				
	Less than 1 year	**1-2 years**	**2-3 years**	**more than 3 years**	**Total**
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,822.40	795.52	565.57	156.32	7,339.81
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**5,822.40**	**795.52**	**565.57**	**156.32**	**7,339.81**

24 Other liabilities

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Advance from customers	48,697.47	41,868.07
Withholding taxes payable	63.77	75.04
Others	144.87	105.75
	48,906.11	**42,048.86**

Breakup of financial liabilities carried at amortised cost

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Borrowings (refer note 19)	23,989.27	29,001.73
Other financial liabilities (refer note 20)	5,882.40	5,644.09
Trade payables (refer note 23)	6,698.30	7,339.81
Total financial liabilities carried at amortised cost	**36,569.97**	**41,985.63**

25 Revenue from operations

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products/ finished goods		
Income from property development	18,064.88	12,285.06
Income from sale of land and development rights	1,270.98	249.18
Income from glazing works	1,207.87	1,452.35
Income from interior works	737.70	805.76
Income from concrete blocks	520.10	410.59
Sale of services		
Income from contractual activity - Subsidiaries	322.60	287.54
Income from contractual activity - Others	4,662.19	5,324.63
Rental income from operating leases (refer note 39)	297.32	121.08
Other operating revenue		
Scrap sales	57.29	30.77
	27,140.93	**20,966.96**

26 Other income

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
Other non-operating income (net of expenses directly attributable to such income)	195.03	352.65
Share in profits/ (loss) of partnership firm investments (post tax)	-	138.43
Gain on foreign exchange difference (net)	-	0.05
Profit on sale of property, plant and equipment (net)	354.22	1.69
	549.25	**492.82**

27 Finance income

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on		
Bank deposits	62.05	132.26
Unwinding of discount on deposits	337.36	319.47
	399.41	**451.73**

28 Cost of raw material and components consumed

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
Raw material at the beginning of the year	545.68	648.56
Add: Purchases during the year	2,073.40	1,759.08
Less: Raw Material at the end of the year	636.87	545.68
Cost of raw material and components consumed	**1,982.21**	**1,861.96**

29 Changes in Inventories of Raw Materials, Land stock, Work in Progress, Stock in Trade and Finished Goods

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the end of the yearxa		
Building materials	75.80	77.55
Land stock	10,607.32	12,037.89
Work-in-progress	48,083.87	43,437.87
Stock in trade - flats	10,889.47	11,362.75
Finished goods	58.91	53.53
	69,715.37	**66,969.59**
Inventories at the beginning of the year		
Building materials	77.55	91.59
Land stock	12,037.89	10,391.08
Work-in-progress	43,437.87	40,816.00
Stock in trade - flats	11,362.75	12,232.21
Finished goods	53.53	55.62
	66,969.59	63,586.50
(Increase)/ decrease	**(2,745.78)**	**(3,383.09)**

30 Employee benefits expense

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	2,089.48	1,612.64
Contribution to provident and other funds	80.19	63.54
Gratuity expenses (refer note 37)	36.16	36.35
Compensated absence	37.57	9.59
Staff welfare expenses	51.07	49.15
	2,294.47	**1,771.27**

31 Depreciation and amortization expense

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipment	569.05	656.13
Amortization of intangible assets	0.07	0.17
Depreciation of investment properties	111.30	98.66
	680.42	**754.96**

32 Other expenses

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
License fees and plan approval charges	199.22	177.72
Power and fuel	483.49	374.11
Water charges	31.68	33.80
Freight and forwarding charges	232.39	159.88
Rent (refer note 35)	169.43	194.69
Rates and taxes	93.27	88.93
Insurance	110.20	91.22
Property maintenance expenses	147.92	162.72
Repairs and maintenance		
Plant and machinery	36.92	30.21
Others	50.11	60.61
Advertising and sales promotion	603.65	422.38
Brokerage and discounts	79.19	129.08
Donation	120.80	91.20
Travelling and conveyance	236.10	178.61
Printing and stationery	28.10	29.18
Legal and professional fees	358.44	190.23
Directors' commission and sitting fees (refer note 35)	5.03	7.29
Payment to auditor (Refer details below)*	13.62	10.88
Exchange difference (net)	0.45	-
Allowance for credit loss	14.98	191.70
Bad debts written off	3.54	-
Security charges	184.23	180.45
Share of loss from investment in partnership firm (post tax)	5.73	-
Miscellaneous expenses	339.84	343.95
	3,548.33	**3,148.84**

***Payment to auditor**

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor:		
Audit fees [including fees for limited review ₹ 5.30 million (31 March 2021 - ₹ 4.20 million)]	10.00	9.00
In other capacity:		
Other services	2.50	1.00
Reimbursement of expenses	1.12	0.88
	13.62	**10.88**

33 Details of CSR expenditure:

Gross amount required to be spent during the year was ₹63.18 million (31 March 2021 ₹77.03 million)

Amount spent during the year ended 31 March 2022:	In Cash	In Cash
Construction/acquisition of any asset (in ₹ million)	-	-
On purposes other than above (in ₹ million)	120.50	90.70
	120.50	**90.70**
Amount spent during the year ended 31 March 2021:		
Construction/acquisition of any asset (in ₹ million)	-	-
On purposes other than above (in ₹ million)	90.70	149.60
	90.70	**149.60**
Shortfall at the end of the year	Nil	Nil
Total of previous years shortfall	Nil	Nil
Reasons for shortfall	Not applicable	Not applicable
Nature of CSR activities	Social empowerment	Social empowerment
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Nil	Nil
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	Nil	Nil

34 Finance costs

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest		
- On borrowings	2,080.96	2,696.01
- Others	5,008.36	2,892.26
Other borrowing cost and bank charges	193.94	171.31
Total finance costs	**7,283.26**	**5,759.58**

35 Related party disclosures

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

Subsidiaries

Direct Subsidiaries

Sobha City
Sobha Highrise Ventures Private Limited
Sobha Developers (Pune) Limited
Sobha Assets Private Limited
Sobha Tambaram Developers Limited
Sobha Nandambakkam Developers Limited
Sobha Construction Products Private Limited

Subsidiaries of Sobha City

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

Subsidiaries of Sobha Highrise Ventures Private Limited

Sobha Contracting Private Limited
Annalakshmi Land Developers Pvt Ltd (till 31.12.2021)

Subsidiaries of Sobha Developers (Pune) Limited

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

Joint Venture

Kondhwa Projects LLP

Key Shareholder

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

Key Management Personnel ('KMP')

Mr. Ravi PNC Menon - Chairman
Mr. J. C. Sharma - Vice Chairman and Managing Director (till 31 March 2022)
Mr. T P Seetharam - Whole-time Director
Mr. Jagadish Nangineni - Managing Director (Effective from 1st April 2022)

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

Mr. Subhash Bhat - Chief Financial Officer (till 14th November 2021)
Mr. Yogesh Bansal - Chief Financial Officer (with effect from 15th November 2021)
Mr. Vigneshwar G Bhat - Company Secretary

Other Directors

Mr. Anup Shah

Mr. R V S Rao

Mrs. Srivathsala KN

Mr. Sumeet Jagdish Puri (till 7th October 2021)

Relatives of key management personnel

Mrs. Sudha Menon

Other related parties [Enterprise owned or significantly influenced by key management personnel]

C.V.S.Tech Park Private Limited

Divyakaushal Properties LLP

Mannur Properties Private Limited

Mannur Real Estate Private Limited

Punkunnam Builders and Developers Private Limited

Puzhakkal Developers Private Limited

SBG Housing Private Limited

Sobha Aviation and Engineering Services Private Limited

Sobha Contracting LLC, Dubai

Sobha Glazing & Metal Works Private Limited

Sobha Projects & Trade Private Limited

Sobha Puravankara Aviation Private Limited

Sobha Renaissance Information Technology Private Limited

Sobha Space Private Limited

Sobha Technocity Private Limited

Sri Durga Devi Property Management Private Limited

Sri Kanakadurga Property Developers Private Limited

Sri Kurumba Educational and Charitable Trust

Sri Parvathy Land Developers Private Limited

Technobuild Developers Private Limited

b) Details of the transactions with the related parties:

in ₹ million

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
I. Transaction with wholly owned subsidiaries		
Income from contractual activity		
Sobha City	34.44	108.56
Sobha Highrise Ventures Private Limited	177.96	6.63
Income from other services		
Sobha Highrise Ventures Private Limited	19.75	7.94
Income from lease rental services		
Sobha Highrise Ventures Private Limited	53.10	-

b) Details of the transactions with the related parties (continued)

in ₹ million

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Purchase of project items		
Sobha Highrise Ventures Private Limited	0.19	1.34
Share in profit/ (loss) of partnership firm		
Sobha City	(5.73)	138.43
Interest income on unsecured loans to related parties		
Sobha Highrise Ventures Private Limited	15.21	8.39
Sobha Developers (Pune) Limited	0.77	0.56
Sobha Assets Private Limited	4.04	-
Amount contributed to partnership current account		
Sobha City	416.65	301.58
Refund of advance by the related party		
Sobha Assets Private Limited	-	3.00
Sobha Construction Products Private Limited	0.22	-
Sobha Nandambakkam Developers Limited	7.69	-
Unsecured loans		
Sobha Highrise Ventures Private Limited	7.19	89.90
Sobha Developers (Pune) Limited	-	13.91
II. Transaction with Joint venture		
Amount contributed to partnership current account		
Kondhwa Projects LLP	6.21	-
III. Transaction with other related parties		
Income from contractual activity		
Sobha Projects & Trade Private Limited	70.14	42.00
Kilai Builders Private Limited	13.60	25.87
Sobha Contracting Private Limited	66.53	56.13
Mr. Ravi PNC Menon	-	19.58
Income from glazing works		
Sri Kurumba Educational and Charitable Trust	1.71	-
Mr. Ravi PNC Menon	-	18.04
Income from interior works		
Sri Kurumba Educational and Charitable Trust	0.43	-
Mr. Anup Shah	1.80	4.56
Mr. Ravi PNC Menon	-	15.20
Interest income on unsecured loans to related parties		
Sobha Contracting Private Limited	13.86	12.03

b) Details of the transactions with the related parties (continued)

in ₹ million

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Investment in partnership firm		
CVS TechZone LLP	-	3.59
Sale of interest in partnership firm		
CVS TechZone LLP	-	144.25
Purchase of project items		
Sobha Projects & Trade Private Limited	530.59	179.78
Aircraft hire charges		
Sobha Puravankara Aviation Private Limited	109.63	61.38
CSR expenditure - Donation		
Sri Kurumba Educational and Charitable Trust	120.50	91.20
Unsecured loans		
Sobha Contracting Private Limited	12.47	22.96
Land advance		
Technobuild Developers Private Limited	-	41.36
Advance paid towards purchase of goods or services		
Sobha Assets Private Limited	1.64	-
Puzhakkal Developers Private Limited	-	0.03
Sri Parvathy Land Developers Private Limited	0.03	-
Sri Durga Devi Property Management Private Limited	0.05	0.13
Refund of advance by the related party		
Technobuild Developers Private Limited	339.52	14.71
Sobha Projects & Trade Private Limited	-	13.17
Rent paid		
Sobha Interiors Private Limited	14.76	14.05
Sobha Glazing & Metal Works Private Limited	5.60	5.06
Directors' remuneration		
Mr. J. C. Sharma	35.04	19.92
Mr. Ravi PNC Menon	80.38	51.15
Mr.T P Seetharam	6.44	6.71
Mr. Jagadish Nangineni (till 25 February 2021)	-	6.46
Dividend paid (payment basis)		
Mr. Ravi PNC Menon	11.15	21.74
Mr. J. C. Sharma	0.38	0.75
Mr. Subhash Bhat	0.00	-
Mr. Anup Shah	0.02	-
Mr. R V S Rao	0.05	-

b) Details of the transactions with the related parties (continued)

in ₹ million

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Salary (including perquisites)		
Mr. Subhash Bhat (till 14th November 2021)	7.92	10.35
Mr. Vigneshwar G Bhat	4.69	3.45
Mr. Yogesh Bansal (with effect from 15th November 2021)	2.08	-
Directors' sitting fees and commission		
Mr. Anup Shah	1.88	1.79
Mr. R V S Rao	1.94	1.83
Mr. Sumeet Jagdish Puri	0.99	1.89
Mrs. Srivathsala KN	1.92	1.78
IV. Transaction with key shareholders		
Dividend paid (payment basis)		
Mr. P. N. C. Menon	60.73	84.43
Mrs. Sobha Menon	100.54	201.08
Mr. P. N. C. Menon and Mrs. Sobha Menon (jointly held shares)	37.02	37.02

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

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
I. Balances receivable from and payable to wholly owned subsidiaries		
Investment in unquoted equity shares		
Sobha Highrise Ventures Private Limited	372.78	372.78
Sobha Developers (Pune) Limited	986.41	986.41
Sobha Nandambakkam Developers Limited	13.74	13.74
Sobha Tambaram Developers Limited	2.24	2.24
Sobha Assets Private Limited	0.10	0.10
Sobha Construction Products Private Limited	10.00	10.00
Investment in the capital of partnership firm		
Sobha City - Capital account	399.99	399.99
Sobha City - Consideration paid for additional share in capital	128.00	128.00
Investment in subsidiaries - current account		
Sobha City - partner current account	1,259.42	842.77
Investment in preference shares		
Sobha Highrise Ventures Private Limited	77.00	77.00
Advances recoverable in cash or in kind		
Sobha Assets Private Limited	88.88	87.24
Sobha Construction Products Private Limited	-	0.22
Sobha Nandambakkam Developers Limited	-	0.09

c) Details of balances receivable from and payable to related parties (continued)

in ₹ million

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Trade receivables		
Sobha Highrise Ventures Private Limited	29.42	4.18
Sobha Developers (Pune) Limited	0.01	40.31
Advance from customers		
Sobha Nandambakkam Developers Limited	7.69	-
Sobha Tambaram Developers Limited	7.05	7.45
Unsecured loan to related parties		
Sobha Highrise Ventures Private Limited	158.18	150.98
Sobha Developers (Pune) Limited	4.02	13.91
Sobha Assets Private Limited	29.66	-
Guarantees & Collaterals provided		
Sobha Assets Private Limited	227.32	227.32
Sobha City	998.78	1,498.78
II. Balances receivable from and payable to joint ventures		
Investment in partners current account		
Kondhwa Projects LLP	1,148.73	1,142.52
III. Balances receivable from and payable to other related parties		
Unsecured loan to related parties		
Sobha Contracting Private Limited	151.03	138.56
Land advance		
Technobuild Developers Private Limited	8,199.84	8,539.36
Puzhakkal Developers Private Limited	52.20	52.20
Sri Parvathy Land Developers Private Limited	164.46	164.43
Sri Durga Devi Property Management Private Limited	43.10	43.05
Rent deposit		
Sobha Interiors Private Limited	121.42	107.83
Sobha Glazing & Metal Works Private Limited	47.47	42.36
Advances recoverable in cash or in kind		
Sobha Puravankara Aviation Private Limited	164.73	189.91
Punkunnam Builders and Developers Private Limited	-	0.05
Sobha Aviation and Engineering Services Private Limited	0.01	0.01
Mannur Properties Private Limited	0.02	0.02
Sobha Technocity Private Limited	0.02	0.02
Moolamcode Traders Private Limited	0.02	0.02

c) Details of balances receivable from and payable to related parties (continued)

in ₹ million

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Trade receivables		
Sri Kurumba Educational and Charitable Trust	15.42	15.42
Sobha Projects & Trade Private Limited	211.57	361.96
Sobha Contracting Private Limited	115.06	153.22
Trade payables		
Kilai Builders Private Ltd	181.04	36.38
SBG Housing Private Limited	-	2.67
Sobha Projects & Trade Private Limited	19.19	14.80
Divyakaushal Properties LLP	-	0.60
Guarantees & Collaterals received		
Sri Durga Devi Property Management Private Limited	1,500.00	1,500.00
Sri Parvathy Land Developers Private Limited	1,500.00	1,500.00
Kilai Builders Private Ltd	5,750.00	5,250.00
Sobha Interiors Private Limited	1,100.00	1,100.00
Sobha Contracting Private Limited	700.00	-

IV. Balances receivable from and payable to key managerial personnel

in ₹ million

Non-trade payable	As at 31 March 2022	As at 31 March 2021
Mr. J. C. Sharma	23.45	11.81
Mr. Ravi PNC Menon	15.52	2.00

d) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The above related party transactions have been approved by the Board of Directors. Outstanding balances at the year-end are unsecured and interest free (except for loans taken mentioned in (d) and investment in debentures of subsidiaries) and settlement occurs in cash. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021 - ₹Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

e) Compensation of key management personnel of the Company

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Short-term employee benefits	99.58	79.08
Commission to independent directors	6.73	7.29
Other benefits*	36.97	18.96
	143.28	**105.33**

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

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

f) Also, refer note 18 as regards guarantees received from key management personnel and relative of key management personnel and collateral securities offered by related companies in respect of loans availed by the Company.

36 Segment information

Basis of segmentation

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

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

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

a) Real estate segment;

b) Contractual and manufacturing segment.

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

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

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

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following tables present revenue and profit information for the Company's operating segments for the year ended 31 March 2022 and 31 March 2021 respectively:

Business segments

in ₹ million

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Segment revenue		
Real estate	19,690.93	12,686.09
Contractual and manufacturing	8,242.00	8,979.02
Total segment revenue	**27,932.93**	**21,665.11**
Inter segment revenues	(792.00)	(698.15)
Net revenue from operations	**27,140.93**	**20,966.96**

in ₹ million

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Segment result		
Real estate	5,561.47	3,331.72
Contractual and manufacturing	770.00	1,417.98
Total segment results	**6,331.47**	**4,749.70**
Finance costs	(2,808.00)	(3,244.61)
Other unallocable expenditure	(2,602.13)	(1,703.00)
Share of profits/ (losses) in a subsidiary partnership firm	(5.73)	138.43
Other income (including finance income)	611.00	806.12
Profit before taxation	**1,526.61**	**746.64**
Income taxes	(398.09)	(91.25)
Profit after taxation	**1,128.52**	**655.39**

The following table presents assets and liabilities information for the Company's operating segments as at 31 March 2022 and 31 March 2021 respectively:-

in ₹ million

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Segment assets		
Real estate	87,176.92	86,635.67
Contractual and manufacturing	10,387.25	10,397.00
Total segment assets	**97,564.17**	**97,032.67**
Unallocated assets	12,175.44	10,508.27
Total assets	**1,09,739.61**	**1,07,540.94**
Segment liabilities		
Real estate	52,153.35	49,732.42
Contractual and manufacturing	4,685.75	4,264.96
Total segment liabilities	**56,839.10**	**53,997.38**
Unallocated liabilities	29,242.22	30,672.82
Total liabilities	**86,081.32**	**84,670.20**
Capital employed		
Real estate	35,023.57	36,903.25
Contractual and manufacturing	5,701.50	6,132.04
Unallocated capital employed	(17,066.78)	(20,164.55)
Total capital employed	**23,658.29**	**22,870.74**

Finance income and costs, and fair value gains and losses on financial assets pertaining to individual segments are allocated to respective segments.

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

in ₹ million

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Capital expenditure		
Real estate	130.30	69.60
Contractual and manufacturing	42.54	293.46
Unallocated capital expenditure	65.20	202.92
Total capital expenditure	**238.04**	**565.98**

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

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

Reconciliations to amounts reflected in the financial statements

(i) Reconciliation of assets

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Segment assets	**97,564.17**	**97,032.67**
Investment (refer note 10)	4,398.49	3,975.63
Prepaid expenses (refer note 13)	821.70	393.87
Balances with statutory/ government authorities (refer note 13)	1,181.03	1,019.31
Cash and bank balances (refer note 14 and 15)	1,730.38	1,965.49
Non-current bank balances (refer note 12)	143.05	60.60
Other unallocable assets	3,900.79	3,093.37
Total assets	**1,09,739.61**	**1,07,540.94**

(ii) Reconciliation of liabilities

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Segment liabilities	**56,839.10**	**53,997.38**
Borrowings (refer note 19)	23,989.27	29,001.73
Provisions (refer note 21)	329.25	289.96
Deferred tax liabilities (refer note 22)	73.05	258.67
Liabilities for current tax (net) (refer note 22)	202.94	87.08
Withholding taxes payable (refer note 24)	63.77	75.04
Others payable (refer note 24)	144.87	105.75
Other unallocable liabilities	4,439.07	854.59
Total liabilities	**86,081.32**	**84,670.20**

37 Employment benefit plans

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Net benefit liability-gratuity	**247.82**	**217.96**
Non-current	174.70	151.46
Current	73.12	66.50

The Company has a defined benefit gratuity plan in India ('the Plan'), governed by the Payment of Gratuity Act, 1972. The Plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days on salary for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

The defined benefit plan for gratuity is administered by a single gratuity fund that is legally separate from the Company. The board of the gratuity fund comprises three employees. The board of the gratuity fund is required by law to act in the best interests of the plan participants and is responsible for setting certain policies (e.g. investment and contribution policies) of the fund.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

in ₹ million

Particulars	31 March 2022	31 March 2021
Reconciliation of present value defined benefit obligation		
Obligation at the beginning of the year	220.36	215.46
Service cost	22.91	23.13
Interest cost	13.35	13.44
Benefits settled	(17.47)	(23.02)
Actuarial (gain)/loss (through OCI)	12.02	(8.65)
Obligation at the end of the year	**251.17**	**220.36**
Reconciliation of present value of planned assets		
Plan assets at the beginning of the year, at fair value	2.40	2.15
Interest income	0.15	0.13
Actuarial gain/(loss) (through OCI)	(0.03)	0.04
Contributions paid into the plan	18.30	23.10
Benefits settled	(17.47)	(23.02)
Plan assets at the end of the year, at fair value	**3.35**	**2.40**
Present value of defined benefit obligation at the end of the year	251.17	220.36
Less: Fair value of plan assets at the end of the year	3.35	2.40
Net liability recognised in the balance sheet	**247.82**	**217.96**

in ₹ million

Particulars	31 March 2022	31 March 2021
Expenses recognised in statement of profit and loss		
Service cost	22.91	23.13
Interest cost (net)	13.21	13.31
Gratuity cost	**36.12**	**36.44**
Capitalised to property plant and equipment	(0.12)	(0.09)
Net gratuity cost	**36.00**	**36.35**
Re-measurement gains/ (losses) in OCI		
Actuarial gain / (loss) due to demographic assumption changes	-	-
Actuarial gain / (loss) due to financial assumption changes	3.49	(1.62)
Actuarial gain / (loss) due to experience adjustments	(15.55)	10.27
Return on plan assets greater (less) than discount rate	0.02	0.04
Deferred tax charge	3.03	(2.19)
Total expenses routed through OCI	**(9.01)**	**6.50**

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

Particulars	31 March 2022	31 March 2021
Investment in insurance fund	100%	100%

Acturial assumptions

Particulars	31 March 2022	31 March 2021
Discount rate	6.41%	6.06%
Future salary growth	5.00%	5.00%
Employee turnover	15.00%	15.00%
Estimated rate of return on plan assets	6.41%	6.24%

Assumptions regarding future mortality are based on Indian Assured Lives Mortality (2006-08)

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

in ₹ million

Particulars	31 March 2022	31 March 2021
Effect of + 1% change in rate of discounting	(9.39)	(8.67)
Effect of - 1% change in rate of discounting	10.28	9.53
Effect of + 1% change in rate of salary growth	9.16	8.68
Effect of - 1% change in rate of salary growth	(8.60)	(8.13)
Effect of + 1% change in rate of employee turnover	0.51	0.17
Effect of - 1% change in rate of employee turnover	(0.59)	(0.22)

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

The following payments are expected contributions to the projected benefit plan in future years:

in ₹ million

Particulars	31 March 2022	31 March 2021
Within the next 12 months	49.27	42.77
Between 2 and 5 years	131.96	109.01
Between 5 and 10 years	89.56	81.27
Total expected payments	**270.79**	**233.05**

38 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 March 2022	31 March 2021
Profit after tax attributable to shareholders (amount in ₹ million)	1,128.52	655.39
Weighted average number of equity shares of ₹10 each fully paid outstanding during the year used in calculating basic and diluted EPS	94,845,853	94,845,853
Earnings per share - Basic and diluted (amount in ₹)*	11.90	6.91

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

39 Leases

Operating lease - Company as lessor

The Company has entered into commercial property leases on its property, plant and equipment. These operating leases have variable terms ranging from 12 months to 36 months up to eleven years. All leases include a clause to enable upward revision of the lease rental on periodical basis and includes variable rent determined based on percentage of sales of lessee.

The Company has recognised ₹297.32 million (31 March 2021 - ₹121.08 million) during the year towards lease rental income.

Minimum lease payments receivable in respect of these leases for non-cancellable period are as follows:

in ₹ million

Particulars	31 March 2022	31 March 2021
Within one year	235.91	181.12
After one year but not more than five years	489.75	555.72
More than five years	0.71	65.02
	726.37	**801.86**

Operating lease - Company as lessee

Operating lease obligations: The Company has taken office, other facilities and other equipment under cancellable and non-cancellable operating leases, which are renewable on a periodic basis with escalation as per agreement.

The Company has paid ₹169.43 million (31 March 2021 - ₹176.47 million) during the year towards minimum lease payments.

Future minimum rentals payable under non-cancellable operating lease are as follows:

in ₹ million

Particulars	31 March 2022	31 March 2021
Within one year	64.03	77.92
After one year but not more than five years	157.14	164.56
More than five years	45.34	66.91
	266.51	**309.39**

40 Contingent liabilities

Contingent liabilities (to the extent not provided for)

in ₹ million

Particulars	31 March 2022	31 March 2021
i Guarantees given by the Company	3,057.56	3,331.97
ii Income tax matters in dispute	-	250.42
iii Sales tax matters in dispute	737.09	727.26
iv Service tax matters in dispute	434.56	434.56
v Excise duty matters in dispute	1.27	7.27
	4,230.48	**4,751.48**

The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Company does not expect any reimbursements in respect of the above contingent liabilities.

Regulatory Matters

a. In respect of matters relating to certain transactions entered into by the Company in earlier years, the Company was asked to provide contracts, documents, correspondences, business rationale and justification for these transactions by regulatory authorities, the Company has been responding to the same from time to time. Securities and Exchange Board of India (SEBI) had further summoned the Company under section 11(2), and 11C(2), 11C(3) of the SEBI Act, 1992 for production of documents and responses in respect of the aforesaid transactions. The Company has duly responded to the e-mail queries and the Summons within the time allotted.

During the current year, the Company has agreed, with the other parties, for a manner of settlement of the dues amounting to ₹578 million. Based on this, ₹278 million has been settled by transfer of other parties' units of an ongoing launched project (Project 1). The Company has sold these units in its normal course of business during the current year, so transferred, and realise the amount. The realization terms of the balance, i.e.₹300 million has been renegotiated and agreed to be settled through the landowners' revenue share in sales proceeds of another project (Project 2), which is expected to be launched by next year. The Company has a consent / confirmation from the other party for appropriation of the landowners' revenue share in sales proceeds of another project (Project 2), settlement of this due which is supported by a legal advise on its enforceability. Based on the best estimate of the management, this will be realized over a period of 2 – 4 years.

Also, during the current year, the Company has received a show cause notice (SCN) from SEBI for alleged violation of certain provisions of the SEBI Act, 1992 and Regulations issued by SEBI thereunder, thus, initiating adjudication proceedings in the above matter. The Company, in consultation with its external legal counsel, has responded to the charges made in the SCN and has filed a settlement application under the SEBI (Settlement Proceedings) Regulation, 2018, without admitting or denying the finding of fact and conclusions of law.

Further, the Company, based on its discussion with SEBI and in consultation with it's external counsel, has agreed for the settlement amount, vide letter to SEBI dated 25 April 2022. The response from SEBI is currently awaited.

Based on the Company's overall assessment including legal advice on enforceability of the manner of settlement, the outstanding amounts are considered fully recoverable and the terms of the aforesaid transactions are not prejudicial to the interests of the Company. The Company has not identified any adverse material impact to the financial statements of the Company as at 31 March 2022 or for earlier periods.

b. The Company had entered into a joint development arrangement with certain Land Owners in Gurugram, Haryana, in earlier years. In respect of this transaction, the concerned authorities are examining if there were irregularities in respect of the manner of allotment and pricing of certain plots under this project or payment of applicable fees and charges by the Company or the landowners, with respect to the terms and conditions mentioned in the development policy of Haryana Development and Regulation of Urban Areas Act (HDRUAA), 1975 and the bilateral agreement between the land owners and Directorate of Town and Country Planning, Haryana (DTCP).

As part of the inquiry, the Company and its officers have been asked to provide contracts, documents and justification in respect of this transaction by the concerned authorities and the proceedings on this matter are in progress. The Company and its officers have been responding to the queries raised / documents sought from time to time.

The Company, based on its overall assessment and independent legal opinion obtained, believes that these transactions have been carried out in accordance with all the applicable laws and regulations and the said bilateral agreement. The Company has not identified any adverse material impact to the financial statements of the Company as at 31 March 2022 or for earlier periods.

41 Commitments and other litigations

a. Commitments

(a) The estimated amount of contracts, net of advances remaining to be executed on capital account is ₹Nil million (31 March 2021 - ₹0.07 million).

(b) At 31 March 2022, the Company has given ₹12,492.57 million (31 March 2021 - ₹13,778.18 million) as advances for purchase of land. Under the agreements executed with the land owners, the Company is required to make further payments under the agreements based on the terms/ milestones stipulated under the agreements.

(c) The Company has entered into joint development agreements with owners of land for its construction and development. Under the agreements, the Company is required to pay deposits to the owners of the land and share in area/ revenue from such development in exchange of undivided share in land as stipulated under the agreements. As of 31 March 2022, the Company has paid ₹4,080.06 million (31 March 2021 - ₹4,829.98 million) as refundable deposit (undiscounted) against the joint development agreements.

(d) The Company has entered into an aircraft usage agreement with a party wherein the Company along with certain other parties has committed minimum usage of aircraft. During the year ended 31 March 2022, the Company incurred ₹109.63 million (31 March 2021 - ₹61.38 million) towards aircraft usage as per the agreement.

b. Other litigations

(a) Claims have been levied on the Company by Bruhat Bengaluru Mahanagara Palike ('BBMP') towards certain statutory charges which includes betterment charges, ground rent charges, etc. on certain real estate projects undertaken by the Company, the impact of which is not quantifiable. These claims are pending with various courts and are scheduled for hearings. 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.

(b) The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business, including certain litigation for lands acquired by it for construction purposes, either through joint development agreements or through outright purchases, the impact of which is not quantifiable. These cases are pending with various courts and are scheduled for hearings. After considering the circumstances and legal advice received, management believes that these cases will not adversely effect its financial statements.

Service tax matters in dispute includes demands raised for joint development agreements, the tax impact of which for future years is not ascertainable. The Company has evaluated such arrangements for tax compliance and based on experts opinion, the management is of the view that the tax positions are appropriate.

42 Construction contracts

in ₹ million

Particulars	31 March 2022	31 March 2021
Contract revenue recognised as revenue for the year ended	23,049.67	17,922.74
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up to for all the contracts in progress	178,550.41	72,663.02
The amount of customer advances outstanding for contracts in progress for which revenue has been recognised	16,225.49	8,229.27
The amount of work-in-progress and value of inventories	33,475.63	24,330.29
The amount of retentions due from customers for contracts in progress	648.45	514.35

43 Contract balances

The following table discloses the movement in contract assets

in ₹ million

Particulars	31 March 2022	31 March 2021
Opening balance	3,094.56	2,060.71
Revenue recognised during the year	5,282.11	5,733.25
Invoices during the year	(5,537.15)	(4,699.40)
Closing balance	**2,839.52**	**3,094.56**

44 Derivative instruments and unhedged foreign currency exposure

in ₹ million

Particulars	31 March 2022	31 March 2021
Foreign currency exposure that are not hedged by derivative instruments or otherwise:		
Trade payables	24.78	11.40

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

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis or the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small mid Medium Enterprises Development Act, 2006 except as set out in the following disclosures.

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the standalone financial statement as at 31 March 2022 and 31 March 2021 based on the information received and available with the Company.

in ₹ million

Particulars	31 March 2022	31 March 2021
i. Principal amount remaining unpaid to any supplier as at the year end	-	-
ii. Interest due thereon	-	-
iii. Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
iv. Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED, 2006	-	-
v. Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

46 Capitalization of expenditure

During the year, the Company has capitalized the following expenses of revenue nature to capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

in ₹ million

Particulars	31 March 2022	31 March 2021
Opening capital work in progress	700.58	2,323.14
Add: Expenses incurred during the year		
Purchase of project materials	-	103.65
Subcontractor and other charges	-	37.94
Salaries, wages and bonus	-	4.89
Rent	-	0.95
Others	-	20.25
Sub-total	**-**	**167.68**
Less: Expenses charged to profit and loss account	449.07	-
Less: Expenses capitalised as investment property	251.51	1,790.24
Sub-total	**700.58**	**1,790.24**
Closing capital work in progress	**-**	**700.58**

47 Fair value measurements

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

in ₹ million

Particulars	As at 31 March 2022			As at 31 March 2021		
	At cost	Fair value through profit or loss	At amortised cost	At cost	Fair value through profit or loss	At amortised cost
Financial assets						
Investments (refer note 10)	4,398.41	-	0.08	3,975.55	-	0.08
Trade receivables (refer note 11)	-	-	4,066.37	-	-	2,358.97
Cash and bank balances (refer note 14 and 15)	-	-	1,730.38	-	-	1,965.49
Other financials assets (refer note 12)	-	-	6,749.49	-	-	7,435.92
Total	**4,398.41**	**-**	**12,546.32**	**3,975.55**	**-**	**11,760.46**
Financial liabilities						
Borrowings (refer note 19)	-	-	23,494.18	-	-	29,001.73
Trade payables (refer note 23)	-	-	6,698.30	-	-	7,339.81
Other financial liabilities (refer note 20)	-	-	5,882.40	-	-	5,644.09
Total	**-**	**-**	**36,074.88**	**-**	**-**	**41,985.63**

b. Fair value hierarchy

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

in ₹ million

Particulars	As at 31 March 2022				As at 31 March 2021			
	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 fair value through profit and loss	-	-	-	-	-	-	-	-
Investments at amortized cost	0.08	-	-	0.08	0.08	-	-	0.08
Total	**0.08**	**-**	**-**	**0.08**	**0.08**	**-**	**-**	**0.08**
Assets for which fair value are disclosed								
Investment properties	1,882.71	-	-	4,432.00	1,691.59	-	-	3,967.00
	1,882.71	**-**	**-**	**4,432.00**	**1,691.59**	**-**	**-**	**3,967.00**

Notes:

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

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

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

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

Financial instruments 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.

48 Financial risk management objectives and policies

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Company. The risk management committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, 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. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include borrowings and refundable deposits.

The sensitivity analysis in the following sections relate to the position as at 31 March 2022 and 31 March 2021. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

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

Interest rate sensitivity

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

in ₹ million

	Increase/ decrease in interest rate	Effect on profit before tax *
31 March 2022		
INR	+1%	(243.70)
INR	-1%	243.70
31 March 2021		
INR	+1%	(292.92)
INR	-1%	292.92

* determined on gross basis i.e. with out considering inventorisation of such borrowing cost.

The Company's exposure to equity price risk is not material as at all the reporting periods presented in the financial statements.

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

(a) Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.

(b) Receivables resulting from other than sale of properties: Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company does not hold collateral as security. The Company's credit period generally ranges from 30-60 days.

(c) Revenue from one customer individually accounted for more than 10% of the company's revenue for the year ended 31 March 2022 and 31 March 2021. No single customer individually accounted for more than 10% of the trade receivable balance of the company as at 31 March 2022 and 31 March 2021.

Movement in allowance for credit losses

in ₹ million

Particulars	31 March 2022	31 March 2021
Opening balance	637.54	534.40
Amounts written off	-	-
Net remeasurement of loss allowance	14.98	103.14
Closing balance	**652.52**	**637.54**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2022 and 31 March 2021 is the carrying amounts.

C. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The following table summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

in ₹ million

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
31 March 2022						
Borrowings (refer note 19)	6,293.84	1,280.31	5,910.31	10,009.02	495.79	23,989.27
Trade payables (refer note 23)	-	6,050.61	381.24	266.45	-	6,698.30
Other financial liabilities (refer note 20)	253.85	1,260.25	4,368.30	-	-	5,882.40
	6,547.69	**8,591.17**	**10,659.85**	**10,275.47**	**495.79**	**36,569.97**
31 March 2021						
Borrowings (refer note 19)	3,846.01	1,797.08	4,791.00	17,488.16	1,079.48	29,001.73
Trade payables (refer note 23)	200.00	5,691.26	1,150.07	250.67	47.81	7,339.81
Other financial liabilities (refer note 20)	206.54	2,336.06	3,101.49	-	-	5,644.09
	4,252.55	**9,824.40**	**9,042.56**	**17,738.83**	**1,127.29**	**41,985.63**

49 Capital management

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

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings, trade payables and other financial liabilities (excluding liability under JDA), less cash and bank balances.

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings (long-term and short-term, including current maturities of long term borrowings) (Note 19 & 20)	24,412.42	29,421.73
Trade payables (Note 23)	6,698.30	7,339.81
Other financial liabilities (current and non-current, excluding current maturities of long term borrowings) (Note 20)	5,459.25	5,224.09
Other liabilities (Note 24)	48,906.11	42,048.86
Less: Cash and bank balances (Note 14 and 15)	(1,730.38)	(1,965.49)
Net debt	**83,745.70**	**82,069.00**
Equity share capital (Note 16)	948.46	948.46
Other equity (Note 17)	22,709.83	21,922.28
Total capital	**23,658.29**	**22,870.74**
Capital and net debt	**107,403.99**	**104,939.74**
Gearing ratio	77.97%	78.21%

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

50 Utilisation of borrowed funds

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Gross proceeds from non-current borrowings	4,286.72	1,718.45
Gross proceeds from secured debentures	495.09	-
Gross proceeds from secured loans	8,353.80	14,167.21
	13,135.61	**15,885.66**
Utilisation for the general construction and development purpose	13,135.61	15,885.66
Unutilised borrowed funds	**-**	**-**

51 Loans or advances to specified persons

in ₹ million

Type of the Borrower	Amount outstanding as at 31 March 2022 *	% of Total ^	Amount outstanding as at 31 March 2021	% of Total
Promoters	-	-	-	-
Directors	-	-	-	-
Key Managerial Persons (KMPs)	-	-	-	-
Related Parties	342.88	100%	303.45	100%
Total aggregate loans (refer note 12)	**342.88**	**-**	**303.45**	**-**

* represents repayable on demand

^ represents percentage to the total Loans and Advances in the nature of loan

There are no loans without specifying any terms or period of repayment in the current and previous year.

52 Ratios

in ₹ million

Ratios	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	% of Change	Explanation for change in ratio for more than 25%
Liquidity ratio						
Current ratio	Current Assets	Current Liabilities	1.19	1.12	6.54%	-
Solvency ratio						
Debt-Equity ratio	Total Debt	Shareholder's Equity	1.03	1.28	-19.77%	-
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	0.21	0.20	3.04%	-
Profitability ratio						
Return on Equity ratio	Net Profits after taxes – Preference Dividend	Average Shareholder's Equity	0.05	0.03	69.28%	Net surplus to shareholders increased due to increase in profit
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	0.04	0.03	34.32%	Turnover for the financial year increased due to which profit increased significantly
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax	0.09	0.08	18.10%	-
Return on Investment	Interest (Finance Income)	Investment	-	-	-	-

in ₹ million

Ratios	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	% of Change	Explanation for change in ratio for more than 25%
Utilization ratio						
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	6.67	8.89	-24.91%	-
Inventory Turnover ratio	Cost of goods sold	Average Inventory	0.30	0.24	25.61%	On account of increase in revenue which lead to increase in Cost of goods sold
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	2.04	1.48	37.54%	On account of settlement of dues in current year
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets– Current liabilities	1.77	2.14	-17.18%	-

53 Disclosure required for Borrowing based on security of current Assets

The Company has been sanctioned borrowings amounting to ₹4,000 million, in aggregate, from banks or financial institutions on the basis of security of current assets. The Company has filed quarterly returns or statements with such banks or financial institutions which are in agreement with books of account of the Company.

54 Disclosure of Struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

55 Other Statutory Information

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

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

c) The company is not declared as wilful defaulter by any bank of financial institution or other lenders.

d) The Company does not have any approved schemes of arrangements during the year.

e) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or,

ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

f) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or,

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

a) Crypto currency or Virtual Currency.

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

56 Impact due to outbreak of COVID-19

The management has assessed and determined that considering the nature of its operations and overall revenue model, the second and the third wave of COVID-19 have not had any material impact on the Company's financial position as at 31 March 2022, its financial performance for the year then ended and its internal control over financial reporting as at 31 March 2022. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

57 Prior year comparatives

The previous period / year figures have been regrouped / reclassified, wherever necessary, to conform to the current quarter presentation in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013.

As per our report of even date attached

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership No.: 065155

Place : Bengaluru, India
Date : 20 May 2022

for and on behalf of the Board of Directors of
Sobha Limited

Ravi PNC Menon
Chairman
DIN: 02070036

Jagadish Nangineni
Managing Director
DIN: 01871780

Yogesh Bansal
Chief Financial Officer

Vighneshwar G Bhat
Company Secretary and Compliance Officer

Place Bengaluru, India
Date: 20 May 2022

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the consolidated financial statements of Sobha Limited (hereinafter referred to as the "Holding Company") and subsidiaries, including step down subsidiaries (Holding Company and subsidiaries together referred to as "the Group") and its joint venture, which comprise the consolidated balance sheet as at 31 March 2022, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors on separate financial statements of such subsidiaries, including step down subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, and a joint venture as at 31 March 2022, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its joint venture in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the branch auditors and other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to note 40 to the consolidated financial statements that explains that during the previous years, the Holding Company had entered into a joint development agreement (JDA) in which the counter party, i.e. land owners had obtained a license for setting up a residential township on land parcels. The license is based on the Bilateral Agreement which was entered into between the land owners and District Town and Country Planner (DTCP), Haryana and is governed under the development policy of Haryana Development and Regulation of Urban Areas Act (HDRUAA), 1975.

In respect of this transaction, the concerned authorities are inspecting if there were any irregularities in respect of the manner of allotment and pricing of certain plots under this project by the Holding Company, with respect to the terms and conditions of the license and HRDUAA regulations and also whether the concerned charges were paid pursuant to the change in beneficial interest.

The Holding Company has responded to the concerned authorities on these transactions from time to time. The matter has not yet been concluded, and the duration and outcome of the ongoing regulatory proceedings is presently uncertain.

Our opinion is not modified in respect of this matter.

Key Audit Matters

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

A. Regulatory Inquiry - refer note 40 to the consolidated financial statements

Key Audit Matter	How the matter was addressed in our audit
Assessment of certain transactions entered into by the Holding Company and recoverability of balances, on which regulatory inquiries are ongoing During the previous years, the Holding Company has received enquiries from Securities and Exchange Board of India (SEBI) about certain transactions entered into by the Holding Company in earlier years. SEBI had further summoned the Holding Company under section 11(2), and 11C(2), 11C(3) of the SEBI Act, 1992 for production of documents and responses in respect of the aforesaid transactions. The enquiries and consequently the Summons were directed to ascertain if there was any undue favour towards any individuals in these specific business transactions carried out by the Holding Company, which represented aged receivables and other asset balances recoverable from the various parties and SEBI had sought responses and evidences for the efforts taken by the Holding Company to recover these amounts. During the current year, the Holding Company and the other parties to the transactions have agreed to the manner of settlement of the dues according to which, the Holding Company is expected to recover the dues over a period of time. During the current year, SEBI has initiated adjudication proceedings against the Holding Company and its officers and issued a Show Cause Notice (SCN) to the Holding Company under Rule 4(1) of the SEBI (Procedure for holding inquiry and imposing penalties) Rules, 1995.	Our audit procedures on this matter included the following: • Inquired with senior personnel of the Holding Company to understand the status of recovery of aged receivables and other asset balances outstanding from these transactions pursuant to the manner of settlement as agreed among the parties to the transactions; • Verified the correspondence with the various parties to recover the outstanding balances; • Read the Holding Company's communications to SEBI to ensure consistency with the explanations and documentation/ correspondences provided to us; • Evaluated and challenged the Holding Company's assessment of recoverability of the balances outstanding as at the balance sheet date, the business rationale for these transactions and the timing and manner of settlement, including considering the developments subsequent to the balance sheet date; • Evaluated the legal opinions obtained by the Holding Company on the implications of adjudication proceedings initiated on the Holding Company; • Communicated and discussed periodic updates on these transactions to those charged with governance, including the recoverability and business rationale aspects for these transactions;

Key Audit Matter	How the matter was addressed in our audit
The Holding Company, in consultation with its legal counsel has responded to the allegations in the SCN and also filed a settlement application under SEBI (Settlement Proceedings) Regulations, 2018. The matter has not yet been concluded by SEBI. Considering the significance of the matter which involves uncertainty of outcome due to ongoing inquiries from SEBI and significant judgements and estimates by the Holding Company on the realisability of these balances, this is considered as a key audit matter.	• Read the minutes of the meetings of the management discussions with the Board of Directors and those charged with governance on this matter; • Read the Holding Company's submission to SEBI for the settlement application made; and • Considered the adequacy of the disclosures in the consolidated financial statements.

B. Revenue recognition - refer note 2.4(b)(ii)(a) to the consolidated financial statements

Key Audit Matter	How the matter was addressed in our audit
Measurement of revenue recorded from sale of residential units Revenues from sale of residential units represents the largest portion of the total revenues of the Group. Revenue is recognised upon transfer of control of residential units to customers for an amount which reflects the consideration the Group expects to receive in exchange for those units. The point of revenue recognition is normally based on the terms as included in the intimation for the handover of unit to the customer on completion of the project, post which the contract becomes non-cancellable by the parties. The Group records revenue at a point in time upon transfer of control of residential units to the customers. Considering the volume of the Group's projects, spread across different regions within the country and the competitive business environment, there is a risk of revenue being recorded in an incorrect period (for example, through premature revenue recognition i.e., recording revenue prior to handover of unit to the customers or improperly shifting revenues to a later period) in order to present consistent financial results. Since revenue recognition has direct impact on the Group's profitability, there is a possibility of the Group being biased, hence this is considered as a key audit matter.	Our audit procedures on revenue recognition on sale of residential units included the following: • Evaluation of the Group's accounting policies for revenue recognition on sale of residential units are in line with the applicable accounting standards and their application to customer contracts, including consistent application; • Identifying and testing operating effectiveness of key controls around approvals of contracts, milestone billing, intimation of handover letters and controls over collection from customers; • For samples selected, verifying the underlying documents – handover letter, sale agreement signed by the customer, handover intimation mail sent to the customer and the collections against the units sold; • Cut-off procedures for recording of revenue in the relevant reporting period; • Site visits during the year for selected projects to understand the scope, nature, status and progress of the projects; and • Considering the adequacy of the disclosures in note 2.4(b)(ii)(a) to the consolidated financial statements in respect of recognising revenue on sale of residential units.

B. Revenue recognition - refer note 2.4(b)(i) to the consolidated financial statements

Key Audit Matter	How the matter was addressed in our audit
Measurement of revenue on contractual construction projects recorded over time which is dependent on the estimates of the costs to complete Revenue recognition from contractual projects represents a significant portion of the total revenues of the Group. Revenue recognition from contractual projects involves significant estimates primarily pertaining to measurement of costs to complete the projects. Revenue from projects is recorded based on Group's assessment of the work completed, costs incurred and accrued and the estimate of the balance costs to complete. Due to inherent nature of the projects and significant judgment involved in the estimate of costs to complete, there is risk of overstatement or understatement of revenue, hence this is considered as a key audit matter.	Our audit procedures on revenue recognition on contractual construction projects included the following: • Evaluation of Group's accounting policies for revenue recognition on contractual projects are in line with the applicable accounting standards and their application to customer contracts, including consistent application; • Identifying and testing operating effectiveness of key controls around budgeting of project cost, approval of purchase orders, recording of actual cost, raising of invoices and estimating the cost to complete the project; • For samples selected during the year, verifying the underlying documents – contracts with customers, invoices raised and collections from the customers; • Comparing the estimated costs to complete with the budgeted costs and analysis of the variances, if any; • Sighting approvals for budgeted costs with the rationale for the changes; • Assessment of costs incurred on projects, which is used by the Group to determine the percentage of completion; • Considering the adequacy of the disclosures in note 2.4(b)(i) to the consolidated financial statements in respect of judgements taken to recognise revenue for contractual projects; and • Considering the adequacy of the disclosures in note 42 to the consolidated financial statements in respect of revenue recognised, cost incurred, amount received/ retentions due from customers, work in progress, value of inventories and profit recognised till date.

B. Revenue recognition - refer note 2.4(b)(iii) to the consolidated financial statements

Key Audit Matter	How the matter was addressed in our audit
Measurement of revenue recorded from sale of manufactured products Revenue is recognised upon transfer of control of products manufactured by the Group to customers for an amount which reflects the consideration the Group expects to receive in exchange for those products. The point of revenue recognition is normally upon transfer of control to the customer on delivery of product. Considering the competitive business environment, there is a risk of revenue being overstated (for example, through premature revenue recognition i.e., recording revenue prior to transfer of control to the customers) or understated (for example, through improperly shifting revenues to a later period) in order to present consistent financial results. Since revenue recognition has direct impact on the Group's profitability, there is a possibility of the Group being biased, hence this is considered as a key audit matter.	Our audit procedures on revenue recognition from sale of manufactured products included the following: • Evaluation of Company's accounting policies for revenue recognition on sale of products manufactured, are in line with the applicable accounting standards and their application to agreement with customers, including consistent application; • Identifying and testing operating effectiveness of key controls around approvals of sale order received, invoice raised, intimation of delivery of product, and controls over collection from customers; • For samples selected, verifying the underlying documents – sales order, invoice raised, good received note authorised by the customer and the collections; • Cut-off procedures for recording of revenue in the relevant reporting period; and • Considering the adequacy of the disclosures in note 2.4(b)(iii) to the consolidated financial statements in respect of recognizing revenue on sale of manufactured products.

C. Inventories - refer note 3(b)(iv) to the consolidated financial statements

Key Audit Matter	How the matter was addressed in our audit
Assessment of net realisable value (NRV) of inventories Inventories on construction of residential units comprising ongoing and completed projects, initiated but unlaunched projects and land stock, represents a significant portion of the Group's total assets.	Our audit procedures to assess the net realisable value (NRV) of inventories included the following: • Enquiry with the Group's personnel to understand the basis of computation and justification for the estimated recoverable amounts of the unsold units in both ongoing and completed projects ("the NRV assessment");

Key Audit Matter	How the matter was addressed in our audit
The Group recognises profit on the sale of each residential unit with reference to the overall profit margin depending upon the total cost incurred on the project. A project comprises multiple units, the construction of which is carried out over a number of years. The recognition of profit for sale of a unit, is therefore dependent on the estimate of future selling prices and construction costs. Further, estimation uncertainty and exposure to cyclicality exists within long- term projects. Forecasts of future sales are dependent on market conditions, which can be difficult to predict and be influenced by political and economic factors. Considering the significance of the amount of carrying value of inventories and the involvement of significant estimation and judgement in assessment of NRV, this is considered as a key audit matter.	• Assessing the Group's valuation methodology for the key estimates, data inputs and assumptions adopted in the valuation. This involved comparing the total cost per sqft with expected average selling prices such as recently transacted prices maintained by the Group. For projects which are not launched and/(or) there are no sales, the total cost per sqft is compared to the selling prices of similar properties located in nearby vicinity of each project • While analysing the expected average selling price, we have performed a sensitivity analysis on the selling price and compared this to the budgeted cost; • For our samples of land stock, obtained the fair valuation reports and published guidance values for assessing the valuation methodology, key estimates and assumptions adopted in the valuation; and • Verifying the NRV assessment and comparing the estimated construction costs to complete each development with the Group's updated budgets.

D. Land Advances - refer note 3(b)(iv) to the consolidated financial statements

Key Audit Matter	How the matter was addressed in our audit
Assessment of recoverability of land advances Land advances represents a significant portion of the Group's total assets. Land advance represents the amount paid towards procurement of land parcels to be used in the future for construction of residential projects. These advances are carried at cost less impairment losses. These land advances are converted into land stock as per the terms of the underlying contracts under which these land advances have been given. The carrying value of advances are tested for recoverability by the Group by comparing the valuation of land parcels in the same area for which land advances have been given.	Our audit procedures to assess the recoverability of land advances included the following: • Enquiry with the Group's personnel on the process of providing land advances and testing of key controls over such land advances paid during the year; • Obtaining explanations from Company's personnel on the long-standing land advances and understanding Company's plan for conversion of the land advances to land stock; • For our samples, verifying the underlying agreements or memorandum of understanding in possession of the Group, based on which land advances were given, to assess the Group's rights over the land parcels in subject;

Key Audit Matter	How the matter was addressed in our audit
Due to the quantum of carrying value of land advances to total assets of the Group and significant estimates and judgements involved in assessing recoverability of land advances, this is considered as a key audit matter.	• For our samples, obtaining the fair valuation reports of such land parcels for assessing the valuation methodology, key estimates and assumptions adopted in the valuation; and • For our samples, verifying the published guidance values for the area in which these land parcels are situated.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/audit report of other auditors, 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's and Board of Directors'/Designated Partners' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies/ Designated Partners of the limited liability partnerships (LLPs) included in the Group and the respective Management and Board of Directors/ Designated Partners of its joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company/ LLP and for preventing and detecting frauds and other irregularities; the 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies/ Designated Partners of the LLPs included in the Group and respective Management and Board of Directors/Designated Partners of its joint venture are responsible for assessing the ability of each company/LLP to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors/Designated Partners either intends to liquidate the company/LLP or to cease operations, or has no realistic alternative but to do so.

The respective Management and Board of Directors of the companies/Designated Partners of the LLP included in the Group and respective Management and Board of Directors/Designated Partners of its joint venture is responsible for overseeing the financial reporting process of each company/LLP.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to consolidated financial statements 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 the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of

the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

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

Other Matters

(a) We did not audit the financial statements of 18 subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹8,583.80 million as at 31 March 2022, total revenues (before consolidation adjustments) of ₹386.27 million and net cash outflow (before consolidation adjustments) amounting to ₹28.77 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

(b) The consolidated financial statements also include the Group's share of net profit/loss (and other comprehensive income) of ₹ Nil for the year ended 31 March 2022, as considered in the consolidated financial statements, in respect of a joint venture, whose financial statements have not been audited by us or by other auditor. The unaudited financial statements have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the joint venture, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid joint venture, is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements is not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 (A) As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries and a joint venture as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and a joint venture incorporated in India, none of the directors of the Group companies and its joint venture incorporated in India are disqualified as on 31 March 2022 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 with reference to financial statements of the Holding Company and its subsidiary companies and a joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and a joint venture, as noted in the "Other Matters" paragraph:

a. The Group has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its consolidated financial statements. Refer note 40 to the consolidated financial statements.

b. The Group and its joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company incorporated in India during the year ended 31 March 2022. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the subsidiary companies and joint venture incorporated in India during the year ended 31 March 2022.

d. (i) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies and joint venture incorporated in India to or in any other persons or entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies and joint venture incorporated in India or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the Holding Company or its subsidiary companies and joint venture incorporated in India from any persons or entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies and joint venture incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e. The dividend declared or paid during the year by the Holding Company incorporated in India is in compliance with Section 123 of the Act.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies and joint venture incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies and joint venture to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies and joint venture, is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership number: 065155
UDIN: 22065155AJHKBY6069

Place : Bengaluru
Date : 20 May 2022

Annexure A to the Independent Auditor's Report on Consolidated Financial Statements of Sobha Limited ("the Company")

With reference to the **Annexure A** referred to in the Independent Auditors' report to the members of the Company on the consolidated financial statement for the year ended 31 March 2022, we report the following:

(xxi) In our opinion and according to the information and explanations given to us, there are no qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order, 2020 reports of the companies incorporated in India and included in the consolidated financial statements.

The above does not include comments, if any, in respect of the following entity as the CARO report relating to the entity has not been issued by its auditor till the date of principal auditor's report:

Name of the entity	CIN	Subsidiary/ JV/ Associate
Kondhwa Projects LLP	AAH-5729	Joint Venture

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership number: 065155
UDIN: 22065155AJHKBY6069

Place : Bengaluru
Date : 20 May 2022

Annexure B to the Independent Auditors' report on the consolidated financial statements of Sobha Limited for the period ended 31 March 2022.

Report on the Internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph (A) (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2022 we have audited the internal financial controls with reference to consolidated financial statements of Sobha Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 respective 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 (hereinafter referred to as "the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to consolidated 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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 18 subsidiary companies (including step down subsidiaries), which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership number: 065155
UDIN: 22065155AJHKBY6069

Place : Bengaluru
Date : 20 May 2022

SOBHA LIMITED
CONSOLIDATED BALANCE SHEET

in ₹ million

Particulars	Note	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	4	4,079.85	4,415.00
Investment property	5	3,676.61	3,529.21
Investment property under construction	6	65.03	700.58
Intangible assets	7	226.78	232.13
Right of use assets	8	123.37	157.42
Financial assets			
Investments	10	1,148.91	1,142.70
Trade receivables	11	564.23	423.99
Other non-current financial assets	12	1,460.92	1,418.24
Other non-current assets	13	4,341.36	5,200.77
Current tax assets (net)	22	116.01	96.75
Deferred tax asset (net)	22	19.37	19.21
		15,822.44	**17,336.00**
Current assets			
Inventories	9	74,271.19	71,246.35
Financial assets			
Trade receivables	11	3,504.52	1,937.18
Cash and cash equivalents	14	1,390.65	1,637.38
Bank balance other than cash and cash equivalents	15	392.44	404.11
Other current financial assets	12	4,884.91	5,718.07
Other current assets	13	13,834.32	13,822.43
		98,278.03	**94,765.52**
Total assets		**114,100.47**	**112,101.52**
Equity and liabilities			
Equity			
Equity share capital	16	948.46	948.46
Other equity	17	24,156.75	23,328.89
Equity attributable to owners of the Company		25,105.21	24,277.35
Non-controlling interest		-	-
Total equity		**25,105.21**	**24,277.35**
Non-current liabilities			
Financial liabilities			
Borrowings	19	7,277.05	3,504.33
Lease liabilities	19	40.02	67.97
Provisions	21	174.70	151.46
Deferred tax liabilities (net)	22	150.72	341.75
		7,642.49	**4,065.51**
Current liabilities			
Financial liabilities			
Borrowings	19	17,252.46	26,396.34
Lease liabilities	19	60.87	61.98
Trade payables			
Total outstanding dues of micro enterprises and small enterprises; and	23	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	23	6,752.66	7,317.59
Other current financial liabilities	20	6,440.74	6,562.97
Other current liabilities	24	50,488.55	43,194.17
Provisions	21	154.55	138.50
Liabilities for current tax (net)	22	202.94	87.11
		81,352.77	**83,758.66**
Total liabilities		**88,995.26**	**87,824.17**
Total equity and liabilities		**1,14,100.47**	**112,101.52**

Summary of significant accounting policies 2.4

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership No.: 065155

Place : Bengaluru, India
Date : 20 May 2022

for and on behalf of the Board of Directors of
Sobha Limited

Ravi PNC Menon
Chairman
DIN: 02070036

Jagadish Nangineni
Managing Director
DIN: 01871780

Yogesh Bansal
Chief Financial Officer

Vighneshwar G Bhat
Company Secretary and Compliance Officer

Place : Bengaluru, India
Date : 20 May 2022

SOBHA LIMITED
CONSOLIDATED STATEMENT OF PROFIT AND LOSS

in ₹ million

Particulars	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Income			
Revenue from operations	25	27,308.60	21,097.79
Finance income	27	354.45	419.81
Other income	26	552.70	386.40
Total income		**28,215.75**	**21,904.00**
Expenses			
Land purchase cost		1,960.18	2,543.94
Cost of raw materials and components consumed	28	1,982.21	1,861.96
Purchase of project materials		5,194.63	3,920.98
Changes in Inventories of Raw materials, Land stock, Work in progress, Stock in trade and Finished goods	29	(3,152.08)	(4,169.41)
Subcontractor and other charges		6,412.58	5,124.14
Employee benefits expense	30	2,294.47	1,771.27
Finance costs	34	7,496.58	6,012.14
Depreciation and amortization expense	31	721.09	793.67
Other expenses	32	3,724.07	3,293.46
Total expenses		**26,633.73**	**21,152.15**
Profit before tax		**1,582.02**	**751.85**
Tax expenses			
Current tax	22	611.40	100.81
Deferred tax (credit)/charges	22	(198.21)	28.28
Income tax expense		**413.19**	**129.09**
Profit for the year		**1,168.83**	**622.76**
Other comprehensive income			
Item that will not be reclassified to profit or loss in subsequent periods:			
Re-measurement on defined benefit plan	37	(9.01)	6.50
Income tax effect		-	-
Other comprehensive income for the year, net of tax		**(9.01)**	**6.50**
Total comprehensive income for the year attributable to owners of the Company		**1,159.82**	**629.26**
Profit for the year attributable to :			
Owners of the Company		1,168.83	622.76
Non-controlling interests		-	-
		1,168.83	**622.76**
Total comprehensive income for the year attributable to :			
Owners of the Company		1,159.82	629.26
Non-controlling interests		-	-
		1,159.82	**629.26**
Earnings per equity share [nominal value of ₹ 10 fully paid (31 March 2021 - ₹ 10 fully paid)]			
Basic and diluted (amount in ₹)	38	12.32	6.57

Summary of significant accounting policies 2.4

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership No.: 065155

Place : Bengaluru, India
Date : 20 May 2022

for and on behalf of the Board of Directors of
Sobha Limited

Ravi PNC Menon
Chairman
DIN: 02070036

Jagadish Nangineni
Managing Director
DIN: 01871780

Yogesh Bansal
Chief Financial Officer

Vighneshwar G Bhat
Company Secretary and Compliance Officer

Place : Bengaluru, India
Date : 20 May 2022

SOBHA LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

a. Equity share capital

	Number of shares in million	Amount in ₹ million
Equity shares of ₹10 each issued, subscribed and fully paid		
Balance as at 1 April 2020	**94.84**	**948.46**
Balance as at 31 March 2021	**94.84**	**948.46**
Balance as at 1 April 2021	**94.84**	**948.46**
Balance as at 31 March 2022	**94.84**	**948.46**

b. Other equity

in ₹ million

	Attributable to owners of the Company						
	Reserves and Surplus					Items of OCI	Total
	Capital redemption reserve	Securities premium	Debenture redemption reserve	General reserve	Retained earnings	Other items of OCI	
As at 1 April 2020	**119.47**	**9,328.92**	**-**	**4,170.11**	**9,751.05**	**(6.00)**	**23,363.55**
Profit for the year	-	-	-	-	622.76	-	622.76
Other comprehensive income (net of tax)	-	-	-	-	-	6.50	6.50
Total comprehensive income	**119.47**	**9,328.92**	**-**	**4,170.11**	**10,373.81**	**0.50**	**23,992.81**
Transfer to other reserves							
General reserve	-	-	-	65.54	(65.54)	-	-
Total transfer to other reserves	**-**	**-**	**-**	**65.54**	**(65.54)**	**-**	**-**
Transaction with owners, recorded directly in equity							
Distribution to owners							
Dividend (including dividend distribution tax) (refer note 18)	-	-	-	-	(663.92)	-	(663.92)
Total distribution to owners	**-**	**-**	**-**	**-**	**(663.92)**	**-**	**(663.92)**
As at 31 March 2021	**119.47**	**9,328.92**	**-**	**4,235.65**	**9,644.35**	**0.50**	**23,328.89**
As at 1 April 2021	**119.47**	**9,328.92**	**-**	**4,235.65**	**9,644.35**	**0.50**	**23,328.89**
Profit for the year	-	-	-	-	1,168.83	-	1,168.83
Other comprehensive income (net of tax)	-	-	-	-	-	(9.01)	(9.01)
Total comprehensive income	**119.47**	**9,328.92**	**-**	**4,235.65**	**10,813.18**	**(8.51)**	**24,488.71**
Transfer to other reserves							
General reserve	-	-	-	112.85	(112.85)	-	-
Total transfer to other reserves	**-**	**-**	**-**	**112.85**	**(112.85)**	**-**	**-**
Transaction with owners, recorded directly in equity							
Distribution to owners							
Dividend (including dividend distribution tax) refer note 18	-	-	-	-	(331.96)	-	(331.96)
Total distribution to owners	**-**	**-**	**-**	**-**	**(331.96)**	**-**	**(331.96)**
As at 31 March 2022	**119.47**	**9,328.92**	**-**	**4,348.50**	**10,368.37**	**(8.51)**	**24,156.75**

Summary of significant accounting policies 2.4

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership No.: 065155

Place : Bengaluru, India
Date : 20 May 2022

for and on behalf of the Board of Directors of
Sobha Limited

Ravi PNC Menon
Chairman
DIN: 02070036

Jagadish Nangineni
Managing Director
DIN: 01871780

Yogesh Bansal
Chief Financial Officer

Vighneshwar G Bhat
Company Secretary and Compliance Officer

Place : Bengaluru, India
Date : 20 May 2022

SOBHA LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flows from operating activities		
Profit before tax	**1,582.02**	**751.85**
Adjustments to reconcile profit before tax to net cash flows from operating activities		
Depreciation and amortization expense	566.06	651.68
Depreciation of investment properties	155.03	141.99
Gain on sale of other property	(221.36)	-
Gain on sale of property, plant and equipment	(132.86)	(1.69)
Finance income (including fair value change in financial instruments)	(354.45)	(419.81)
Finance costs (including fair value change in financial instruments)	7,496.58	6,012.14
Allowance for credit loss	43.03	191.70
Share of profit from sale of interest in partnership firm	-	(144.25)
Bad debts written off	3.54	-
Working capital adjustments:		
(Increase) / Decrease in trade receivables	(1,996.34)	1,405.57
Increase in inventories	(2,913.98)	(4,187.60)
Decrease in other financial assets	1,006.85	1,180.73
Decrease in other assets	867.66	512.70
Decrease in trade payables and other financial liabilities	(677.44)	(945.29)
Increase / (Decrease) in provisions	39.29	(6.10)
Increase in other non-financial liabilities	3,263.10	1,250.87
Cash generated from operating activities	**8,726.73**	**6,394.49**
Income tax paid (net of refund)	(514.83)	(266.05)
Net cash flows from/ (used in) operating activities (A)	**8,211.90**	**6,128.44**
Cash flows from investing activities		
Purchase of property, plant and equipment	(201.93)	(413.72)
Purchase of intangible assets	2.26	(4.12)
Proceeds from sale of other property	481.00	-
Proceeds from sale of property, plant and equipment	180.49	23.04
Proceeds from sale of interest in partnership firm	-	144.25
Investment in Mutual funds	(6.21)	(0.01)
Investments in fixed deposits (net)	(103.01)	(193.76)
Interest received	30.10	112.46
Net cash flows used in investing activities (B)	**382.70**	**(331.86)**
Cash flows from financing activities		
Proceeds from long-term borrowings	4,094.42	1,718.45
Repayment of long-term borrowings	(496.51)	(245.78)
Proceeds from short-term borrowings	8,998.88	14,185.29
Repayment of short-term borrowings	(18,161.52)	(16,414.27)
Lease payments	(29.06)	(22.70)
Interest paid	(2,915.57)	(3,391.17)
Dividend paid on equity shares	(331.97)	(664.11)
Tax on dividend paid	-	-
Net cash flows used in financing activities (C)	**(8,841.33)**	**(4,834.29)**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(246.73)	962.29
Cash and cash equivalents at the beginning of the year (refer note 14)	1,637.38	675.09
Cash and cash equivalents at the end of the year (refer note 14)	**1,390.65**	**1,637.38**
Less: Book overdraft from scheduled banks	(289.92)	(240.39)
Cash and cash equivalents at the end of the year	**1,100.73**	**1,396.99**

Summary of significant accounting policies 2.4

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

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership No.: 065155

Place : Bengaluru, India
Date : 20 May 2022

for and on behalf of the Board of Directors of
Sobha Limited

Ravi PNC Menon
Chairman
DIN: 02070036

Jagadish Nangineni
Managing Director
DIN: 01871780

Yogesh Bansal
Chief Financial Officer

Vighneshwar G Bhat
Company Secretary and Compliance Officer

Place : Bengaluru, India
Date : 20 May 2022

1 Corporate information

Sobha Limited ('Company' or 'SL') was incorporated on 7 August 1995. SL together with its subsidiaries (herein after collectively referred to as 'the Group') is a leading real estate developer engaged in the business of construction, development, sale, management and operation of all or any part of townships, housing projects, commercial premises and other related activities. The Group is also engaged in manufacturing activities related to interiors, glazing and metal works and concrete products which also provides backward integration to SL's turnkey projects.

The Company is a public limited Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The registered office is located at Bangalore. The Company's shares and debentures are listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

The consolidated financial statements are approved for issue by the Board of Directors on 20 May 2022.

2 Significant accounting policies

2.1 Basis of preparation

The financial statements are separate financial statements prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provision of the Act.

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

2.2 Group information

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

Name of investee	Principal activities	Country of incorporation	Percentage of ownership/ voting rights	
			31 March 2022	31 March 2021
Subsidiaries				
Annalakshmi Land Developers Pvt Ltd (till 31.12.2021)	Real estate development	India	100%	0%
Sobha City ['Partnership firm']		India	100%	100%
Sobha Contracting Pvt Ltd		India	100%	100%
Sobha Developers (Pune) Limited		India	100%	100%
Sobha Assets Private Limited		India	100%	100%
Sobha Highrise Ventures Private Limited		India	100%	100%
Sobha Interiors Private Limited		India	100%	100%
Sobha Nandambakkam Developers Limited		India	100%	100%
Sobha Tambaram Developers Limited		India	100%	100%
Sobha Construction Products Private Limited		India	100%	100%
Kilai Builders Private Limited		India	100%	100%
Kondhwa Projects LLP ['Partnership firm']		India	50%	50%
Kuthavakkam Builders Private Limited		India	100%	100%
Kuthavakkam Realtors Private Limited		India	100%	100%
Vayaloor Properties Private Limited		India	100%	100%
Vayaloor Builders Private Limited		India	100%	100%
Vayaloor Developers Private Limited		India	100%	100%
Vayaloor Real Estate Private Limited		India	100%	100%
Vayaloor Realtors Private Limited		India	100%	100%
Valasai Vettikadu Realtors Private Limited		India	100%	100%

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

2.3 Basis of consolidation

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

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

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

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

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

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

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March 2022.

Consolidation procedure:

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

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

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

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

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

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

2.4 Summary of significant accounting policies

a) Business combinations and goodwill

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

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

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

b) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Revenue includes excise duty, since the recovery of excise duty flows to the Group on its own account. However, sales tax/value added tax (VAT)/Goods and Services Tax (GST) is not received by the Group on its own account. These taxes are collected on value added to the commodity by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

i. Recognition of revenue from contractual projects

If the outcome of contractual contract can be reliably measured, revenue associated with the construction contract is recognised by reference to the stage of completion of the contract activity at year end (the percentage of completion method). The stage of completion on a project is measured on the basis of proportion of the contract work/ based upon the contracts/agreements entered into by the Group with its customers.

ii. Recognition of revenue from real estate projects

a. Recognition of revenue from property development

Revenue is recognized upon transfer of control of residential units to customers, in an amount that reflects the consideration the Group expects to receive in exchange for those residential units. The Group shall determine the performance obligations associated with the contract with customers at contract inception and also determine whether they satisfy the performance obligation over time or at a point in time. In case of residential units, the Group satisfies the performance obligation and recognises revenue at a point in time i.e., upon handover/deemed handover of the residential units.

Deemed handover of the residential units is considered upon intimation to the customers about receipt of occupany certificate and receipt of total sale consideration.

To estimate the transaction price in a contract, the Group adjusts the promised amount of consideration for the time value of money if that contract contains a significant financing component. The Group when adjusting the promised amount of consideration for a significant financing component is to recognise revenue at an amount that reflects the cash selling price of the transferred residential unit.

b. Recognition of revenue from sale of land and development rights

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

iii. Recognition of revenue from manufacturing division

Revenue from sale of materials is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, which coincides with dispatch of goods to the customers. Service income is recognised on the basis of completion of a physical proportion of the contract work/based upon the contracts/ agreements entered into by the Group with its customers.

iv. Dividend income

Revenue is recognised when the shareholders' or unit holders' right to receive payment is established, which is generally when shareholders approve the dividend.

v. Rental income from operating leases

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

vi. Interest income

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

c) Property, plant and equipment

Property, plant and equipment are stated at their cost of acquisition/construction, net of accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

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

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

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the property, plant and equipment is derecognised.

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

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

d) Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in statement of profit and loss as incurred.

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

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in statement of profit and loss in the period of derecognition.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets, comprising of software and intellectual property rights are amortized on a straight line basis over a period of 3 years, which is estimated to be the useful life of the asset and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

f) Depreciation on property, plant and equipment

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

Particulars	Useful lives estimated by the management (in years)
Property, plant and equipment	
Factory buildings	30
Buildings - other than factory buildings	60
Buildings - temporary structure for precast plant	8
Buildings - temporary structure	3
Plant and machinery	
i. General plant and machinery	15
ii. Plant and machinery - Civil construction	12
iii. Plant and machinery - Electrical installations	10
Furniture and fixtures	10
Motor vehicles	8

Particulars	Useful lives estimated by the management (in years)
Computers	
i. Computer equipment	3
ii. Servers and network equipment	6
Office equipment	5
Investment property	
Buildings - other than factory buildings	60
Plant and machinery	
i. General plant and machinery	15
ii. Plant and machinery - Civil construction	12
iii. Plant and Machinery - Electrical installations	10
Furniture and fixtures	10

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

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

g) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that any non-financial asset may be impaired. If any indication exists, or when annual impairment testing for a non-financial asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) 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.

h) Impairment of financial assets

The Group 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 Group 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.

i) Current versus non-current classification

The Group 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:

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

The Group classifies all other liabilities as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The real estate development projects undertaken by the Group generally run over a period ranging up to 5 years. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of up to 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.

j) Fair value measurement

The Group measures financial instruments at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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 prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3 — inputs for the asset or liability that are not based on observable market data (unobservable inputs)

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group 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.

k) 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.

Classification and subsequent measurement

On initial recognition, financial asset is classified as measured at:

- amortised cost
- fair value through other comprehensive income (FVTOCI) - debt investment
- fair value through other comprehensive income (FVTOCI) - equity investment
- fair value through profit or loss (FVTPL)

Financial assets at amortised cost

A ‘financial asset’ is measured at the amortised cost if both the following conditions are met and is not designated as FVTPL:

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 Group. 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 statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables.

Debt instrument at Fair value through Other comprehensive income (FVTOCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met and is not designated as FVTPL:

a) the objective of the business model is achieved both by collecting contractual cash flows and selling the financial instrument, 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.

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

Financial assets at Fair Value Through Profit or Loss (FVTPL)

FVTPL is a residual category for financial assets. Any financial assets, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. In addition, the Group may elect to designate a financial asset, 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 Group has not designated any financial asset as at FVTPL.

Equity investments in joint ventures

Interests in joint ventures are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of joint ventures until the date on which significant influence or joint control ceases.

Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group 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 Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group 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 Group has retained.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value plus, in the case of financial liabilities not recorded at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Classification, subsequent measurement and gains and losses

The financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading or it is as derivative or deginated as such on initial recognition. Financial liabilities measured as FVTPL are measured at fair value and net gains or losses, including any interest expense, are recognised in statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of profit and loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. 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 and loss.

l) Borrowing costs

Borrowing costs are interest and other costs incurred in connection with borrowings of funds. 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.

m) 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 Group's cash management.

n) Employee benefits

i. Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss in the periods during which the related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

ii. Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income (OCI) . The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the statement of profit and loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The Group makes contributions to Sobha Developers Employees Gratuity Trust ('the Trust') to discharge the gratuity liability to employees. Provision towards gratuity, a defined benefit plan, is made for the difference between actuarial valuation by an independent actuary and the fund balance, as at the year-end. The cost of providing benefits under gratuity is determined on the basis of actuarial valuation using the projected unit credit method at each year end.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period for which the services are rendered by the employee.

o) 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.

p) 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 Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses its existence in the financial statements.

q) 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 and buy back.

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.

r) 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 Group 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.

s) Inventories

Related to contractual and real estate activity

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

i. Work-in-progress - Contractual: Cost of work yet to be certified/ billed, as it pertains to contract costs that relate to future activity on the contract, are recognised as contract work-in-progress provided it is probable that they will be recovered. Contractual work-in-progress is valued at lower of cost and net realisable value.

ii. Work-in-progress - Real estate projects (including land inventory): Represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised. Real estate work-in-progress is valued at lower of cost and net realisable value.

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

iv. Finished goods - Plots: Valued at lower of cost and net realisable value.

v. Building materials purchased, not identified with any specific project are valued at lower of cost and net realisable value. Cost is determined based on a weighted average basis.

vi. Land inventory: Valued at lower of cost and net realisable value.

Related to manufacturing activity

i. Raw materials are valued at lower of cost and net realisable value. Cost is determined based on a weighted average basis.

ii. Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty.

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.

t) Land

Advances paid by the Group to the seller/ intermediary towards 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, whereupon it is transferred to land stock under inventories.

Land/ development rights received under joint development arrangements is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. Further, non-refundable deposit amount paid by the Group under joint development arrangements is recognised as land advance under other assets and on the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress.

u) Leases

Where the Group is lessee

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased asset, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance costs in the statement of profit and loss.

Right of use asset is depreciated on a straight-line basis over the lower of the lease term or the estimated useful life of the asset unless there is reasonable certainty that the Group will obtain ownership, wherein such assets are depreciated over the estimated useful life of the asset.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Group is lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease, unless the lease agreement explicitly states that increase is on account of inflation. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

v) Cash dividend to equity holders of the Group

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

3 Significant accounting judgements, estimates and assumptions

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

a) Judgements

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

i) Classification of property

The Group 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 Group, 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 Group develops and intends to sell before or on completion of construction.

ii) Business combination

The Group has granted land advances to a land aggregator Group, named Technobuild Developers Private Limited ('Technobuild'), wherein Technobuild is engaged in business of acquiring large parcels of lands and transferring it for development for consideration to the Group. In order to protect the right of the Company to recover the advance, the shareholders of Technobuild have signed a non-disposal undertaking with the Company. The management assessed whether or not the Company has control over Technobuild based on such non-disposal undertaking. In exercising its judgement, management considers, that rights are only protective rights to safeguard the Group's interest to the extent of land advances granted by it to Technobuild. Further, such rights will get terminated once the entire land parcels are transferred to the Company as per the terms of the arrangement. Also the Group does not exercise any control/ power over the entire financial and business operations of Technobuild since it neither holds (Directly/ Indirectly) any shareholding/ voting rights in Technobuild nor it exercises any board control to demonstrate any power or ability to use its power over the operations of Technobuild, which could impact the returns of the Company. The undertaking provided by the shareholders of Technobuild does not provide substantive rights to the Group to participate in the business operations of Technobuild, since such rights are only protective in nature, hence management has concluded that the Company does not have sufficient dominant vesting interest to exert control over Technobuild.

b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group 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 Group. Such changes are reflected in the assumptions when they occur.

i) Revenue recognition, contract costs and valuation of unbilled revenue

The Group uses the percentage-of-completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its contractual projects. The percentage of completion is measured by reference to the stage of the contracts determined based on the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs. Use of the percentage-of-completion method requires the Group to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

ii) Accounting for advance from customer considering the time value of money

When determining whether a contract includes a significant financing component, the Group considers the period between performance and payment for that performance. For contracts where revenue is recognised at a point in time, the period considered is that between transfer of control of the good and the payment. Therefore, if payment for a property is made before the date on which control is transferred, an assessment is required of whether the contract includes a significant financing component, especially if the period is greater than twelve months.

Advanced payments from the customer lead to higher amount of revenue being recognised than the contract price because the Group accepts a lower amount in return for financing. As the entity recognises the interest expense related to the financing component, the corresponding amount is recorded as a contract liability/revenue.

iii) 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.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

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.

iv) Estimation of net realisable value for inventory property (including land advances)

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 Group, based on comparable transactions identified by the Group 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.

With respect to land advance given, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

c) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 23 March 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any impact in its financial statements.

4 Property, plant and equipment

in ₹ million

	Freehold land	Factory buildings	Other buildings	Plant and machinery	Scaffolding items	Furniture and fixtures	Vehicles	Computers	Office equipment	Total
Cost										
As at 1 April 2020	**1,811.82**	**715.35**	**1,199.18**	**1,649.31**	**1,572.73**	**47.88**	**8.60**	**116.05**	**29.23**	**7,150.15**
Additions during the year	-	2.23	6.57	58.26	289.36	2.70	1.78	29.79	5.42	396.11
Deletions during the year	(21.01)	-	-	(4.35)	(0.43)	(0.02)	-	(0.16)	(0.04)	(26.01)
As at 31 March 2021	**1,790.81**	**717.58**	**1,205.75**	**1,703.22**	**1,861.66**	**50.56**	**10.38**	**145.68**	**34.61**	**7,520.25**
Additions during the year	(0.01)	-	0.01	54.27	118.97	3.16	0.03	36.23	4.37	217.03
Deletions during the year	(14.82)	(12.24)	-	(11.84)	(28.79)	-	(0.11)	(1.61)	(0.04)	(69.45)
As at 31 March 2022	**1,775.98**	**705.34**	**1,205.76**	**1,745.65**	**1,951.84**	**53.72**	**10.30**	**180.30**	**38.94**	**7,667.83**
Accumulated depreciation										
As at 1 April 2020	**-**	**396.47**	**310.41**	**766.08**	**905.12**	**26.62**	**5.91**	**90.03**	**18.80**	**2,519.44**
Charge for the year	-	110.37	59.05	206.31	184.03	4.04	0.59	21.36	4.72	590.47
Deletions during the year	-	-	-	(4.02)	(0.43)	(0.01)	-	(0.16)	(0.04)	(4.66)
As at 31 March 2021	**-**	**506.84**	**369.46**	**968.37**	**1,088.72**	**30.65**	**6.50**	**111.23**	**23.48**	**3,105.25**
Charge for the year	-	72.98	44.35	161.88	187.69	3.61	0.84	28.45	4.75	504.55
Deletions during the year	-	(7.49)	-	(8.29)	(4.39)	-	(0.07)	(1.54)	(0.04)	(21.82)
As at 31 March 2022	**-**	**572.33**	**413.81**	**1,121.96**	**1,272.02**	**34.26**	**7.27**	**138.14**	**28.19**	**3,587.98**
Carrying amount										
As at 31 March 2022	**1,775.98**	**133.01**	**791.95**	**623.69**	**679.82**	**19.46**	**3.03**	**42.16**	**10.75**	**4,079.85**
As at 31 March 2021	**1,790.81**	**210.74**	**836.29**	**734.85**	**772.94**	**19.91**	**3.88**	**34.45**	**11.13**	**4,415.00**

Note:

a) Property, plant and equipment

Property, plant and equipment with a carrying amount of ₹601.02 million (31 March 2021 - ₹1,420.16 million) are subject to a first charge to secure the Group's loans.

5 Investment property

in ₹ million

			Other assets forming part of Building		
	Freehold land	Other buildings	Plant and machinery	Furniture and fixtures	Total
Cost					
As at 1 April 2020	**132.47**	**1,721.77**	**164.45**	**36.05**	**2,054.74**
Additions during the year	-	1,652.99	137.26	-	1,790.25
As at 31 March 2021	**132.47**	**3,374.76**	**301.71**	**36.05**	**3,844.99**
Additions during the year	-	302.43	-	-	302.43
As at 31 March 2022	**132.47**	**3,677.19**	**301.71**	**36.05**	**4,147.42**
Accumulated depreciation					
As at 1 April 2020	**-**	**113.78**	**50.22**	**9.79**	**173.79**
Charge for the year	-	102.02	36.54	3.43	141.99
As at 31 March 2021	**-**	**215.80**	**86.76**	**13.22**	**315.78**
Charge for the year	-	119.14	32.46	3.43	155.03
As at 31 March 2022	**-**	**334.94**	**119.22**	**16.65**	**470.81**
Carrying amount					
As at 31 March 2022	**132.47**	**3,342.25**	**182.49**	**19.40**	**3,676.61**
As at 31 March 2021	**132.47**	**3,158.96**	**214.95**	**22.83**	**3,529.21**

Investment property with a carrying amount of ₹3,676.61 million (31 March 2021 - ₹3,529.21 million) are subject to a first charge to secure the Group's loans.

Note:

Information regarding income and expenditure of investment property	**31 March 2022 ₹ million**	**31 March 2021 ₹ million**
Rental income derived from investment properties	**499.75**	**301.34**
Direct operating expenses (including repairs and maintenance) generating rental income	(155.10)	(115.54)
Profit arising from investment properties before depreciation and indirect expenses	**344.65**	**185.80**
Less:- Depreciation	(155.03)	(141.99)
Profit arising from investment properties before indirect expenses	**189.62**	**43.81**

The fair value of Investment property is ₹7,546 million (31 March 2021 - ₹6,890 million). These valuations are based on valuations performed by Registered Valuer as defined under Rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017. Fair value hierarchy for investment properties have been provided in Note 47b.

6 Investment property under construction

in ₹ million

	Investment property under construction	Total
As at 1 April 2020	**2,323.14**	**2,323.14**
Additions during the year (refer note 46)	167.68	167.68
Capitalised as investment property during the year (refer note 46)	(1,790.24)	(1,790.24)
As at 31 March 2021	**700.58**	**700.58**
Additions during the year (refer note 46)	65.03	65.03
Charged to cost of sale on sale of property	(449.07)	(449.07)
Capitalised as investment property during the year (refer note 46)	(251.51)	(251.51)
As at 31 March 2022	**65.03**	**65.03**

Investment property under construction ageing schedule

As at 31 March 2022 in ₹ million

	Amount of Investment property under construction for the period of				
	Less than 1 year	**1-2 Years**	**2-3 Years**	**More than 3 years**	**Total**
Projects in progress	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

As at 31 March 2021 in ₹ million

	Amount of Investment property under construction for the period of				
	Less than 1 year	**1-2 Years**	**2-3 Years**	**More than 3 years**	**Total**
Projects in progress	-	135.50	178.02	387.06	700.58
Total	**-**	**135.50**	**178.02**	**387.06**	**700.58**

7 Intangible assets

in ₹ million

	Goodwill	Software	Intellectual property rights	Total
Cost				
As at 1 April 2020	**222.09**	**24.60**	**0.05**	**246.74**
Additions during the year	1.23	2.89	-	4.12
As at 31 March 2021	**223.32**	**27.49**	**0.05**	**250.86**
Additions during the year	(1.23)	(1.03)	0.00	(2.26)
As at 31 March 2022	**222.09**	**26.46**	**0.05**	**248.60**
Amortization and impairment				
As at 1 April 2020	**-**	**14.95**	**0.05**	**15.00**
Charge for the year	-	3.73	-	3.73
As at 31 March 2021	**-**	**18.68**	**0.05**	**18.73**
Charge for the year	-	3.09	-	3.09
As at 31 March 2022	**-**	**21.77**	**0.05**	**21.82**
Carrying amount				
As at 31 March 2022	**222.09**	**4.69**	**-**	**226.78**
As at 31 March 2021	**223.32**	**8.81**	**-**	**232.13**

8 Right of use assets

in ₹ million

	Other buildings	Vehicles	Plant and machinery	Total
Cost				
As at 1 April 2020	**-**	**93.53**	**90.73**	**184.26**
Additions during the year	41.15	45.56	-	86.71
Deletions during the year	-	(15.14)	-	(15.14)
As at 31 March 2021	**41.15**	**123.95**	**90.73**	**255.83**
Additions during the year	-	24.37	-	24.37
Deletions during the year	-	(4.61)	-	(4.61)
As at 31 March 2022	**41.15**	**143.71**	**90.73**	**275.59**
Accumulated depreciation				
As at 1 April 2020	-	33.73	22.34	56.07
Charge for the year	4.99	30.28	22.21	57.48
Deletions during the year	-	(15.14)	-	(15.14)
As at 31 March 2021	**4.99**	**48.87**	**44.55**	**98.41**
Charge for the year	4.99	31.15	22.28	58.42
Deletions during the year	-	(4.61)	-	(4.61)
As at 31 March 2022	**9.98**	**75.41**	**66.83**	**152.22**
Carrying amount				
As at 31 March 2022	**31.17**	**68.30**	**23.90**	**123.37**
As at 31 March 2021	**36.16**	**75.08**	**46.18**	**157.42**

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

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Raw materials and components	636.87	545.68
Building materials	75.80	77.55
Land stock *	11,693.84	13,982.28
Work-in-progress *	50,795.52	44,840.41
Stock in trade - flats *	10,945.01	11,684.87
Finished goods	124.15	115.56
	74,271.19	**71,246.35**

* Carrying amount of inventories pledged as securities against borrowings as at 31 March 2022 - ₹39,019.57 million (31 March 2021 - ₹35,388.27 million)

10 Investments

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Investment in the capital of partnership firm (Joint Venture)		
50% (31 March 2021 - 50%) share in the profits of partnership firm:		
Kondhwa Projects LLP - Current account	1,148.73	1,142.52
Total investments carried at cost	**1,148.73**	**1,142.52**

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Investments carried at fair value through profit and loss (FVTPL)		
Investments at amortized cost		
Government and trust securities (unquoted)		
National savings certificates	0.08	0.08
Investment in Mutual funds	0.10	0.10
Investments at fair value through profit or loss	-	-
Total investments carried at amortised cost	**0.18**	**0.18**
Total investments	**1,148.91**	**1,142.70**
Aggregate amount of unquoted investments	**1,148.91**	**1,142.70**
Aggregate amount of impairment in value of investments	**-**	**-**

Details of investments in partnership firms

Investment in Kondhwa Projects LLP

Name of Partner	Share of partner in profits (%)	
	31 March 2022	31 March 2021
Sobha Limited	50	50
Total capital of the firm (₹ million)	**1,148.73**	**1,142.52**

FINANCIAL STATEMENTS
CONSOLIDATED

11 Trade receivables

in ₹ million

	Current		Non-current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Trade receivables				
Unsecured, considered good	3,504.52	1,937.18	564.23	423.99
Unsecured, considered doubtful	680.58	637.54	-	-
	4,185.10	**2,574.72**	**564.23**	**423.99**
Less: Allowances for credit loss	(680.58)	(637.54)	-	-
Net trade receivables	**3,504.52**	**1,937.18**	**564.23**	**423.99**

Trade receivable ageing schedule

As at 31 March 2022 in ₹ million

	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables-considered good	1,537.03	387.14	1,191.39	655.08	298.11	4,068.75
Undisputed Trade receivables-considered doubtful	34.40	8.64	28.15	104.46	504.93	680.58
Undisputed Trade receivables-credit impaired	(34.40)	(8.64)	(28.15)	(104.46)	(504.93)	(680.58)
Disputed Trade receivables-considered good	-	-	-	-	-	-
Disputed Trade receivables-considered doubtful	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-
Total	**1,537.03**	**387.14**	**1,191.39**	**655.08**	**298.11**	**4,068.75**

As at 31 March 2021 in ₹ million

	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade receivables-considered good	1,048.40	318.66	809.48	47.07	137.56	2,361.17
Undisputed Trade receivables-considered doubtful	173.00	18.70	61.52	52.11	332.21	637.54
Undisputed Trade receivables-credit impaired	(173.00)	(18.70)	(61.52)	(52.11)	(332.21)	(637.54)
Disputed Trade receivables-considered good	-	-	-	-	-	-
Disputed Trade receivables-considered doubtful	-	-	-	-	-	-
Disputed Trade receivables-credit impaired	-	-	-	-	-	-
Total	**1,048.40**	**318.66**	**809.48**	**47.07**	**137.56**	**2,361.17**

No trade or other receivable are due from directors or other officers of the company either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a member.

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

There are no unbilled receivables, hence the same is not disclosed in the ageing schedule.

12 Other financial assets

in ₹ million

	Current		Non-current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good				
Refundable deposit towards joint development agreement	2,889.50	3,677.32	1,190.56	1,152.66
Less: Allowances for credit loss	(50.55)	(73.02)	-	-
	2,838.95	**3,604.30**	**1,190.56**	**1,152.66**
Unsecured, considered good				
Security deposits	141.18	126.66	95.08	204.98
Loans to related parties (refer note 35)	10.96	-		
Others	1,893.82	1,987.11	-	-
Non-current bank balances*	-	-	175.28	60.60
	4,884.91	**5,718.07**	**1,460.92**	**1,418.24**

* Bank deposits due to mature after twelve months from the reporting date.

13 Other assets

in ₹ million

	Current		Non-current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good				
Capital advances	-	-	323.37	298.61
Land advances (refer note 35)*	8,538.50	8,958.99	3,985.07	4,852.69
Advances recoverable in kind (refer note 35)**	353.66	374.04	2.74	-
Prepaid expenses	797.60	345.08	30.18	49.47
Balances with statutory/ government authorities	1,268.07	1,097.26	-	-
Contract assets (refer to note 43)	2,876.49	3,047.06	-	-
	13,834.32	**13,822.43**	**4,341.36**	**5,200.77**

Contract assets ageing schedule

As at 31 March 2022 in ₹ million

	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Contract assets	295.36	18.47	1,025.33	1,537.33	-	2,876.49
Total	**295.36**	**18.47**	**1,025.33**	**1,537.33**	**-**	**2,876.49**

Contract assets ageing schedule

As at 31 March 2021 **in ₹ million**

	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months-1 year	1-2 years	2-3 years	More than 3 years	Total
Contract assets	611.95	365.88	1,537.33	227.65	304.25	3,047.06
Total	**611.95**	**365.88**	**1,537.33**	**227.65**	**304.25**	**3,047.06**

*Advances for land though unsecured, are considered good as the advances have been given based on arrangements/memorandum of understanding executed by the Group and the Group/seller/intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation.

****Advances recoverable in cash or kind due by Directors or other officers or companies in which Directors are interested**

14 Cash and cash equivalents

in ₹ million

	Current	
	As at 31 March 2022	As at 31 March 2021
Cash on hand	16.36	8.46
Cheques/ drafts on hand	74.98	147.66
Balances with banks:		
– On current accounts	1,299.31	1,481.26
	1,390.65	**1,637.38**

15 Bank balance other than cash and cash equivalents

in ₹ million

	Current	
	As at 31 March 2022	As at 31 March 2021
Bank balance other than cash and cash equivalents		
– On unclaimed dividend account	2.32	2.33
– Margin money deposit	390.12	401.78
	392.44	**404.11**

Margin money deposits given as security

Margin money deposits with a carrying amount of ₹533.17 million (31 March 2021 - ₹450.88 million) are subject to first charge to secure the Group's borrowings.

Short-term deposits are made for varying periods of between seven day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

16 Equity share capital

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Authorised shares		
150,000,000 (31 March 2021 - 150,000,000) equity shares of ₹10 each	1,500.00	1,500.00
5,000,000 (31 March 2021 - 5,000,000) 7% redeemable preference shares of ₹100 each	500.00	500.00
Issued, subscribed and fully paid-up shares		
94,845,853 (31 March 2021 - 94,845,853) equity shares of ₹10 each fully paid up	948.46	948.46
Total issued, subscribed and fully paid-up share capital	**948.46**	**948.46**

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

	31 March 2022		31 March 2021	
	No. of shares	₹ million	No. of shares	₹ million
Equity shares				
At the beginning of the year	94,845,853	948.46	94,845,853	948.46
Outstanding at the end of the year	**94,845,853**	**948.46**	**94,845,853**	**948.46**

(b) Terms/ rights attached to equity shares

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

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

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

	31 March 2022		31 March 2021	
	No. of shares in million	Holding percentage	No. of shares in million	Holding percentage
Equity shares of ₹10 each fully paid up				
Mrs. Sobha Menon	28.73	30.29%	28.73	30.29%
Mr. P.N.C. Menon	12.06	12.71%	11.06	11.66%
Mr. P.N.C. Menon (inclusive of joint holding with Mrs. Sobha Menon)	5.29	5.58%	5.29	5.58%
Anamudi Real Estates LLP	9.48	9.99%	9.48	10.00%
Schroder International Selection Fund Emerging Asia	5.54	5.84%	6.24	6.58%
Franklin India Focused Equity Fund	5.57	5.87%	4.80	5.06%

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 represents both legal and beneficial ownership of shares.

(d) Details of shares held by promoters

As at 31 March 2022

Promoter Name	No. of shares at the beginning of the year	Change during the year	No.of shares at the end of the year	% of Total Shares	% change during the year
Mrs. Sobha Menon	28.73	-	28.73	30.29	-
Mr. P.N.C. Menon	12.06	-	12.06	12.71	-
Mr. P.N.C. Menon (inclusive of joint holding with Mrs. Sobha Menon)	5.29	-	5.29	5.58	-
Mr. Ravi PNC Menon	3.19	-	3.19	3.36	-

As at 31 March 2021

Promoter Name	No. of shares at the beginning of the year	Change during the year	No.of shares at the end of the year	% of Total Shares	% change during the year
Mrs. Sobha Menon	28.73	-	28.73	30.29	-
Mr. P.N.C. Menon	12.06	-	12.06	12.71	-
Mr. P.N.C. Menon (inclusive of joint holding with Mrs. Sobha Menon)	5.29	-	5.29	5.58	-
Mr. Ravi PNC Menon	2.99	0.20	3.19	3.36	-

17 Other equity

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Capital redemption reserve		
Balance at the beginning and end of the year	119.47	119.47
Add: Amount transferred from surplus balance in the statement of profit and loss	-	-
Add: Amount transferred from surplus in the statement of profit and loss	-	-
- On account of buy back of equity shares [Refer note (a) below]		
Closing Balance	**119.47**	**119.47**
Securities premium		
Balance at the beginning and end of the year	9,328.92	9,328.92
General reserve		
Balance at the beginning of the year	4,235.65	4,170.11
Add: Transfer from consolidated statement of profit and loss	112.85	65.54
Closing balance	**4,348.50**	**4,235.65**
Surplus in the statement of profit and loss		
Balance at the beginning of the year	9,644.85	9,745.05
Profit for the year	1,168.83	622.76
Other comprehensive income		
Re-measurement gains/(loss) on defined benefit plans	(9.01)	6.50
Less: Appropriations		
Dividend (including dividend distribution tax) refer note 18	(331.96)	(663.92)
Transfer to general reserve	(112.85)	(65.54)
Net surplus in the consolidated statement of profit and loss	**10,359.86**	**9,644.85**
Total other equity	**24,156.75**	**23,328.89**

Nature and purpose of reserve

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

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

(c) **General reserve**
The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in general reserve will not be reclassified subsequently to profit and loss.

(d) **Surplus in the statement of profit and loss**
The cumulative gain or loss arising from the operations which is retained by the Group is recognised and accumulated under the heading of retained earnings. At the end of the year, the profit after tax is transferred from the Consolidated statement of profit and loss to Surplus in the statement of profit and loss account.

18 Distribution made and proposed

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Cash dividend on equity shares proposed and paid		
Final dividend for the year ended 31 March 2021 paid during the current year - ₹3.5 per share (31 March 2020- ₹7 per share)	331.96	663.92
	331.96	**663.92**
Proposed dividend on equity shares		
Final dividend proposed for the year ended 31 March 2022- ₹3 per share (31 March 2021- ₹ 3.5 per share)	284.54	331.96
	284.54	**331.96**

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March 2022.

19 Borrowings

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Non-current borrowings		
Secured loans		
Term loans from banks	7,592.51	3,990.02
Term loans from financial institutions	192.30	-
Finance lease obligation	40.02	67.97
Equipment loans	-	-
	7,824.83	**4,057.99**
Amount disclosed under the head "other current financial liabilities" (refer note 20)	(507.76)	(485.69)
Total non-current borrowings	**7,317.07**	**3,572.30**
Current borrowings		
Secured debentures		
8.75% Non listed debentures	495.09	-
Secured loans		
Term loans from banks*	11,097.67	16,284.97
Term loans from financial institutions*	2,666.45	6,270.66
Finance lease obligation	60.87	61.98
Cash credit from banks	2,993.25	3,840.71
	16,818.24	**26,458.32**
Total current borrowings	**17,313.33**	**26,458.32**

* Term loan from banks and financial institutions represents amount repayable within the operating cycle amounting to ₹16,757.37 million (31 March 2021 - ₹26,396.34 million)

As at 31 March 2022, the Group is not in breach of any covenants as defined in the loan agreements.

Non-Current Borrowings

Terms and repayment schedule

i) **Secured loans**

in ₹ million

Particulars	Carrying amount as at 31 March 2022	Carrying amount as at 31 March 2021	Effective interest rate	Security Details	Repayment terms
Term loans from banks	1,527.98	1,576.82	7%-9%	Secured by equitable mortgage of project specific inventory and certain receivables of the Company and maintaining Debt Service Reserve account equal to 2 months interest & principal.	153 Structured Monthly instalments, starting at the end of Moratorium 3 months from the date of disbursement - June -20.
Term loans from banks	725.74	802.26	7%-9%	Secured by equitable mortgage of project specific inventory and certain receivables of the Company. Corporate guarantee of Group Company	126 Structured Monthly instalments ,as per repayment schedule from 15 January 2018 & 120 Structured Monthly instalments ,as per repayment schedule from 15 January 2020.
Term loans from banks	370.69	518.94	8%-10%	Secured by equitable mortgage of fixed assets of the Company.	Repayable in 16 equal quarterly instalments of ₹37.50 million from the date of disbursement.
Term loans from banks	873.69	1,092.00	8%-10%	Secured by equitable mortgage of certain land of the company	Repayable in 20 equal quarterly instalments starting from 7th Month from the date of disbursement after 6 month moratorium period.

Non-Current Borrowings

Terms and repayment schedule

Secured loans (continued)

in ₹ million

Particulars	Carrying amount as at		Effective interest rate	Security Details	Repayment terms
Term loans from banks	4,094.41	-	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on receivables of the projects.	Repayable in 10 quarterly equal instalments commencing Q-14 to Q-23 from first disbursement.
Term loans from financial institutions	192.30	-	9%-11%	Secured by equitable mortgage of land stock and hypothecation pari-passu charge on the entire escrow receivables of the project.	Repayable in 48 unequal monthly instalments.

ii) Secured debentures

in ₹ million

Particulars	Carrying amount as at 31 March 2022	Carrying amount as at 31 March 2021	Effective interest rate	Security Details	Repayment terms
Debentures	495.09	-	8.75%	Secured by equitable mortgage by pari passu charge over tangible immovable property of the company	Debentures repayment has been linked to the collection account and will be get repaid accordingly based on the collection.

Current Borrowings

i) Secured loans

in ₹ million

Particulars	Carrying amount as at 31 March 2022	Carrying amount as at 31 March 2021	Effective interest rate	Security Details	Repayment terms
Term loans from banks	374.63	-	8%-10%	Secured by equitable mortgage of certain Asset of the Company.	Repayable in 24 equal monthly instalments commencing from last day of every month from the date of disbursement.
Term loans from banks	452.33	-	8%-10%	Secured by equitable mortgage of certain Asset of the Company.	Repayable in 24 equal monthly instalments commencing from last day of every month from the date of disbursement.
Term loans from banks	-	697.79	7%-9%	Secured by charge on specific project inventory, current assets and receivables of the Company.	Repayable on demand(Sub limit of Cash Credit).
Term loans from banks	688.44	-	7%-9%	Secured by charge on specific project inventory, current assets and receivables of the Company.	Repayable on demand(Sub limit of Cash Credit).
Term loans from banks	-	86.92	9%-11%	Secured by equitable mortgage of certain land stock of the Company.	Repayable in 12 quarterly instalments commencing from 30 June 2018.
Term loans from banks	-	260.72	9%-11%	Secured by equitable mortgage of certain land stock of the Company.	Repayable in 12 quarterly instalments commencing from Sep 30, 2018.
Term loans from banks	-	681.70	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in equal monthly instalments after 30 months moratorium period commencing from first disbursement.
Term loans from banks	1,783.96	1,985.76	8%-10%	Secured by equitable mortgage of certain land stock, project specific inventory and receivables of the Company and hypothecation of movable fixed assets of the Company.	Repayable on demand (Sub limit of Cash Credit).

Current Borrowings
Secured loans (continued)

	in ₹ million				
Particulars	**Carrying amount as at 31 March 2022**	**31 March 2021**	**Effective interest rate**	**Security Details**	**Repayment terms**
Term loans from banks	-	48.09	8%-10%	Secured by equitable mortgage of certain land stock of the Company.	Repayable in equal monthly instalments after 12 months moratorium period commencing from first disbursement.
Term loans from banks	-	1,122.16	9%-11%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in equal quarterly instalments after 9 quarter moratorium period commencing from first disbursement.
Term loans from banks	511.60	1,044.25	8%-10%	Secured by equitable mortgage of certain land stock of the Company.	Repayable in 12 quarterly instalments commencing from 30 September 2018.
Term loans from banks	104.21	923.37	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on receivables of the projects.	Repayable in 5 quarterly equal instalments commencing Q-12 to Q-16 from first disbursement.
Term loans from banks	456.29	-	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in 10 quarterly equal instalments commencing from last day of every month from the date of disbursement.
Term loans from banks	-	3,033.19	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on receivables of the projects.	Repayable in 10 quarterly equal instalments commencing Q-14 to Q-23 from first disbursement.
Term loans from banks	-	136.66	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in 10 quarterly equal instalments commencing Q-12 to Q-16 from first disbursement.
Term loans from banks	134.56	347.87	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in 10 quarterly unequal instalments commencing Q-8 to Q-26 from first disbursement.
Term loans from banks	1,794.87	1,042.19	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in 10 quarterly equal instalments commencing Q-15 to Q-24 from first disbursement.
Term loans from banks	510.00	510.00	8%-10%	Secured by equitable mortgage of certain land stock and receivables of the Company.	Repayable on demand(Sub limit of Cash Credit)
Term loans from banks	60.00	300.00	8%-10%	Secured by equitable mortgage of certain land stock and receivables of the Company.	Repayable on demand(Sub limit of Cash Credit)
Term loans from banks	348.12	574.27	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on receivables of the projects.	Repayable in 10 quarterly equal instalments commencing Q-11 to Q-20 from first disbursement.
Term loans from banks	787.06	1,001.64	8%-10%	Secured by equitable mortgage of property, hypothecation on scheduled company's share of receivables, Escrow account and maintaining of Debt Service Reserve account equal to three months interest.	Repayable in 24 monthly instalments commencing from 15 June 2022.
Term loans from banks	150.00	148.81	8%-10%	Secured by equitable mortgage of property, hypothecation on scheduled company's share of receivables, Escrow account and maintaining of Debt Service Reserve account equal to three months interest.	Repayable in 24 monthly instalments commencing from 15 June 2022.
Term loans from banks	-	292.32	9%-11%	Secured by equitable mortgage of project specific inventory and certain receivables of the Company. Corporate guarantee of Group Company.	Repayable in 7 quarterly instalments after 21 months moratorium period commencing from first disbursement.

Current Borrowings
Secured loans (continued)

in ₹ million

Particulars	Carrying amount as at 31 March 2022	31 March 2021	Effective interest rate	Security Details	Repayment terms
Term loans from banks	-	500.00	8%-10%	Secured by equitable mortgage of certain land and receivables of the Company.	Repayable ₹50 Cr on 30.04.2021.
Term loans from banks	-	16.67	7%-9%	Secured by equitable mortgage of certain land, specific project inventory, and receivables of the Company.	Repayable in 6 Monthly instalments starting from 7th Month from the date of disbursement after 6 month moratorium period.
Term loans from banks	-	83.33	9%-11%	Secured by equitable mortgage of certain land and receivables of the Company.	Repayable in 18 Monthly instalments starting from 7th Month from the date of disbursement after 6 month moratorium period.
Term loans from banks	479.30	476.63	8%-10%	Secured by equitable mortgage of certain land, specific project inventory, and receivables of the Company.	Repayable in 30 quarterly instalments starting from 31st quarter from the date of disbursement after 30 month moratorium period.
Term loans from banks	194.71	193.62	8%-10%	Secured by equitable mortgage of certain land, specific project inventory, and receivables of the Company.	Repayable in 16 quarterly instalments starting from 31st quarter from the date of disbursement after 30 month moratorium period.
Term loans from banks	91.17	187.06	8%-10%	Secured by equitable mortgage of certain land and receivables of the Company.	Repayable in 8 quarterly instalments starting from 13th Month from the date of disbursement after 12 month moratorium period.
Term loans from banks	0.11	-	8%-10%	Secured by equitable mortgage of certain land and receivables of the Company.	Repayable in 8 quarterly instalments starting from 13th Month from the date of disbursement after 12 month moratorium period.
Term loans from banks	500.00	-	8%-10%	Secured by equitable mortgage of certain land and receivables of the Company.	Repayable in 8 quarterly instalments starting from 13th Month from the date of disbursement after 12 month moratorium period.
Term loans from banks	698.29	-	8%-10%	Secured by equitable mortgage of certain land and receivables of the Company.	Repayable in 8 quarterly instalments starting from 13th Month from the date of disbursement after 12 month moratorium period.
Term loans from banks	570.46	442.04	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in 24 Monthly instalments starting from 31st Month from the date of disbursement after 30 month moratorium period.
Term loans from banks	407.56	147.91	8%-10%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in 30 Monthly instalments starting from 31st Month from the date of disbursement after 30 month moratorium period.
Term loans from financial institutions	406.58	-	9%-11%	Secured by equitable mortgage of land stock and hypothecation pari-passu charge on the entire escrow receivables of the project.	Repayable in equal monthly instalments staring from 12th month moratorium starts from date of first disbursement.

Current Borrowings
Secured loans (continued)

in ₹ million

Particulars	Carrying amount as at 31 March 2022	Carrying amount as at 31 March 2021	Effective interest rate	Security Details	Repayment terms
Term loans from financial institutions	-	142.22	9%-11%	Secured by equitable mortgage of certain land stock, building and project specific inventory of the Company, leasehold rights of the company and hypothecation of receivables and Escrow account of the Company. Corporate guarantee of Group Company.	Repayable in 30 monthly instalments after principle moratorium period of 18 months.
Term loans from financial institutions	48.82	-	9%-11%	Secured by equitable mortgage of certain land stock and immovable properties, building and other assets of the project and first charge on company's share of receivables of the projects.	Repayable in 36 monthly instalments after principle moratorium period of 18 months from first disbursement.
Term loans from financial institutions	-	124.68	9%-11%	Secured by equitable mortgage of certain land stock and immovable properties, building and other assets of the project and first charge on receivables of the projects.	Repayable in 36 monthly instalments after principle moratorium period of 18 months from first disbursement.
Term loans from financial institutions	172.90	530.02	9%-11%	Secured by equitable mortgage of certain land stock and first charge on receivables of certain projects.	Repayable in 18 monthly instalments after principle moratorium period of 24 months from first disbursement.
Term loans from financial institutions	414.23	746.89	9%-11%	Secured by equitable mortgage of certain land stock and first charge on receivables of certain projects.	Repayable in 18 monthly instalments after principle moratorium period of 24 months from first disbursement.
Term loans from financial institutions	-	1,410.46	10%-12%	Secured by equitable mortgage of immovable properties, building and other assets of the project and first charge on receivables of company's share of receivables of the projects.	Repayable in 24 monthly instalments after principle moratorium period of 30 months from first disbursement.
Term loans from financial institutions	185.13	-	9%-11%	Secured by equitable mortgage of certain land stock and immovable properties, building and other assets of the project and first charge on receivables company's share of receivables of the projects.	Repayable in 24 monthly instalments ₹3.75cr each & 30 monthly instalments ₹2.67cr each after principle moratorium period of 30 months from first disbursement.
Term loans from financial institutions	369.27	889.03	9%-11%	Secured by equitable mortgage of certain land stock and first charge on receivables certain projects.	Repayable in 18 monthly instalments after principle moratorium period of 24 months from first disbursement.
Term loans from financial institutions	375.22	816.61	9%-11%	Secured by equitable mortgage of certain land stock and first charge on receivables certain projects.	Repayable in equal monthly instalments starting from 7th month from first disbursement.
Term loans from financial institutions	-	278.51	9%-11%	Secured by equitable mortgage of land stock and hypothecation pari-passu charge on the entire escrow receivables of the project.	Repayable in 48 unequal monthly instalments.
Term loans from financial institutions	48.76	447.08	9%-11%	Secured by equitable mortgage of certain land stock and first charge on receivables certain projects.	Repayable in 11 quarterly instalments after principle moratorium period of 3 months from first disbursement.
Term loans from financial institutions	645.54	885.16	9%-11%	Secured by equitable mortgage of certain land stock and first charge on receivables certain projects.	Repayable in 24 Monthly instalments after principle moratorium period of 24 months from first disbursement.
Cash credit	1,473.89	1,949.44	9%-11%	Secured by way of equitable mortgage of certain land stock and certain receivables of the Group Company.	Repayable on demand.

Current Borrowings
Secured loans (continued)

in ₹ million

Particulars	Carrying amount as at 31 March 2022	Carrying amount as at 31 March 2021	Effective interest rate	Security Details	Repayment terms
Cash credit	173.54	175.72	7%-9%	Secured by equitable mortgage of certain land stock, specific project inventory, and receivables of the Company.	Repayable on demand.
Cash credit	6.08	9.41	7%-9%	Secured by equitable mortgage of certain land stock, specific project inventory, and receivables of the Company.	Repayable on demand.
Cash credit	0.03	-	7%-9%	Secured by equitable mortgage of certain land stock, specific project inventory, and receivables of the Company.	Repayable on demand.
Cash credit	-	1.63	10%-12%	Secured by equitable mortgage of certain land stock and receivables of the Company.	Repayable on demand.
Cash credit	129.55	197.42	8%-10%	Secured by equitable mortgage of certain land stock and receivables of the Company.	Repayable on demand.
Cash credit	14.46	7.71	8%-10%	Secured by equitable mortgage of certain land stock, project specific inventory and receivables of the Company and hypothecation of movable fixed assets of the Company.	Repayable on demand.
Cash credit	26.95	181.22	8%-10%	Secured by equitable mortgage of certain land stock and receivables of the Company.	Repayable on demand.
Cash credit	574.66	538.82	8%-10%	Secured by equitable mortgage of certain land stock and receivables of the Company.	Repayable on demand.
Cash credit	49.30	102.67	8%-10%	Secured by equitable mortgage of property, hypothecation on scheduled company's share of receivables, Escrow account and maintaining of Debt Service Reserve account equal to three months interest.	Repayable in 24 monthly instalments commencing from June 15, 2022.
Cash credit	0.24	-	7%-9%	Secured by equitable mortgage of certain land stock, specific project inventory, and receivables of the Company.	Repayable on demand.
Cash credit	11.62	8.64	8%-10%	Secured by equitable mortgage of certain land stock, project specific inventory and receivables of the Company and hypothecation of movable fixed assets of the Company. Corporate guarantee of Group Company.	Repayable on demand.
Cash credit	0.76	0.84	8%-10%	Secured by equitable mortgage of certain land stock, project specific inventory and receivables of the Company and hypothecation of movable fixed assets of the Company. Corporate guarantee of Group Company.	Repayable on demand
Cash credit	231.02	-	8%-10%	Secured by equitable mortgage of certain land stock, project specific inventory and receivables of the Company and hypothecation of movable fixed assets of the Company. Corporate guarantee of Group Company.	Repayable on demand.
Cash credit	301.15	-	8%-10%	Secured by equitable mortgage of certain land stock, project specific inventory and receivables of the Company and hypothecation of movable fixed assets of the Company. Corporate guarantee of Group Company.	Repayable on demand.
Cash credit	-	21.25	8%-10%	Secured by equitable mortgage of certain land stock, project specific inventory and receivables of the Company and hypothecation of movable fixed assets of the Company. Corporate guarantee of Group Company.	Repayable on demand.
Cash credit	-	-	8%-10%	Secured by equitable mortgage of certain land stock, project specific inventory and receivables of the Company and hypothecation of movable fixed assets of the Company. Corporate guarantee of Group Company.	Repayable on demand.
Cash credit	-	645.94	8%-10%	Secured by equitable mortgage of certain land and receivables of the Company.	Repayable on demand.
Total borrowings	**25,037.37**	**30,386.36**			

Details of collateral securities offered by related companies in respect of loans availed by the Group

Nature of loan	Carrying amount as at		Year of maturity	Name of the Company
	31 March 2022	31 March 2021		
Term loans	726.00	802.25	2029	Vayaloor Developers Private Limited
Term loans				Vayaloor Builders Private Limited
Term loans	-	292.32	2021	Vayaloor Properties Pvt. Ltd.
Term loans				Vayaloor Real Estate Pvt. Ltd
Term loans				Vayaloor Builders Pvt. Ltd
Term loans				Vayaloor Developers Pvt. Ltd
Term loans	587.00	1,279.21	2022	Sri Durga Devi Property Management Private Limited
Term loans				Sri Parvathy land Developers Private Limited
Term loans	4,366.79	4,189.16	On demand	Kilai Builders Private Limited
Term loans	726.00	1,100.00	2026	Sobha Interior Private Limited

20 Other financial liabilities

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Current		
Current maturities of long-term borrowings (refer note 19)	507.76	485.69
Letter of credit payable	2,701.64	2,459.77
Book overdraft from scheduled banks	289.92	240.39
Interest accrued but not due on borrowings	29.04	35.98
Unclaimed dividend*	2.32	2.33
Lease deposit	121.70	111.54
Deffered Lease Rental	22.23	29.69
Non-trade payable	252.17	207.26
Security deposit towards maintenance services	2,082.16	2,311.38
Payable to related parties (refer note 35)	429.44	658.10
Payable for purchase of property, plant and equipment	2.36	20.84
Total other financial liabilities	**6,440.74**	**6,562.97**

21 Provisions

in ₹ million

	Current		Non-current	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Provision for employee benefits				
Provision for gratuity (refer note 37)	73.12	66.50	174.70	151.46
Provision for compensated absence	81.43	72.00	-	-
	154.55	**138.50**	**174.70**	**151.46**

22 Income tax

The major components of income tax expense for the years ended 31 March 2022 and 31 March 2021 are:

A Amounts charged to statement of profit and loss

Profit or loss section

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Current income tax:		
Current income tax charge	611.40	100.81
Deferred tax:		
Relating to origination and reversal of temporary differences	(198.21)	28.28
Income tax expense reported in the statement of profit and loss	**413.19**	**129.09**

B. Income tax recognised in other comprehensive income

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Net loss/(gain) on remeasurements of defined benefit plans	-	-
Income tax charge to other comprehensive income	-	-

C. Reconciliation of effective tax rate

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Accounting profit before income tax	1,582.02	751.85
Tax on accounting profit at statutory income tax rate 25.17% (31 March 2021: 25.17%)*	398.19	189.24
Adjustments in respect of current income tax of previous years	-	-
Adjustments in respect of deferred tax of previous years	-	-
Adjustments in respect of losses in subsidiaries on consolidation	-	-
Non-deductible expenses for tax purposes:		
Permanent disallowances	(28.44)	(76.16)
Permanent differences in subsidiaries	43.44	16.01
Others	-	-
Effect of increase in surcharge	-	-
MAT credit reversal/(entitlement)	-	-
At the effective income tax rate of 26.12% (31 March 2021: 12.22%)	413.19	129.09
Tax expense reported in the statement of profit and loss	**413.19**	**129.09**

* The Group 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 for the year ended 31 March 2021 and has accordingly re-measured its deferred tax assets/(liabilities) basis the rate prescribed in the said section. Further, the MAT credit available from earlier years has been reversed in the current year on the exercise of this said option.

D. Deferred tax

Deferred tax assets and liabilities relates to the following

in ₹ million

	Balance as at 1 April 2020	Movement during 2020-21	Balance as at 31 March 2021	Movement during 2021-22	Balance as at 31 March 2022
Interest u/s 36(1)(iii)-interest inventorised/capitalised in the books but claimed as expense in tax	(2,489.63)	(182.02)	(2,671.65)	(75.79)	(2,747.44)
Property, plant and equipment	130.85	(23.73)	107.12	(4.20)	102.92
Provision for compensated absence	20.83	(2.71)	18.12	2.38	20.50
Provision for gratuity	53.69	1.17	54.86	7.52	62.38
Provision for doubtful debts	38.23	62.93	101.16	1.01	102.17
Difference of finance lease depreciation and interest as per books and rent allowed as per IT Act	1.51	0.57	2.08	(15.75)	(13.67)
Deferred tax on brought forward losses	-	-	-	-	-
Deferred tax adjustment on adoption of Ind AS 115	1,953.75	112.02	2,065.77	276.02	2,341.79
Deferred tax adjustment for periods Ind AS adjustments*	-	-	-	-	-
Deferred tax expense / (income)	**-**	**(31.77)**	**-**	**191.19**	**-**
Net deferred tax assets / (liabilities)	**(290.77)**	**-**	**(322.54)**	**-**	**(131.35)**

(*) adjusted against current tax liability

Reconciliation of deferred tax assets/(liabilities), net:

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Balance at the beginning of the year	**(322.54)**	**(290.77)**
Tax income/(expense) during the period recognised in profit or loss	(198.21)	28.28
Deferred tax adjustment on adoption of Ind AS 115	389.40	(60.05)
Closing balance	**(131.35)**	**(322.54)**

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

During the year ended 31 March 2022 and 31 March 2021, the Group has paid dividend to its shareholders. This has resulted in payment of DDT to the taxation authorities. The Group believes that DDT represents additional payment to taxation authority on behalf of the shareholders. Hence DDT paid is charged to equity.

E. Liabilities for current tax (net)

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Current income tax:		
Opening	(9.64)	(155.60)
Add: Additions during the year	611.40	100.81
Add/(less): MAT credit adjustment	-	-
Less: Payments during the year	(514.83)	45.15
	86.93	**(9.64)**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities. Accordingly, as at 31 March 2022, current tax was presented as assets of ₹116.01 million and liabilities of ₹202.94 million

23 Trade payables

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Trade payables		
Land cost payable	-	200.00
Dues of micro enterprises and small enterprises	-	-
Dues of creditors other than micro enterprises and small enterprises	6,752.66	7,117.59
	6,752.66	**7,317.59**

Trade payables are non-interest bearing and are normally settled on 30 to 60 day terms. For explanations on the Company's credit risk management processes, refer to note 48.

Trade payable ageing schedule

As at 31 March 2022 in ₹ million

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,681.04	2,582.83	85.83	402.96	6,752.66
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**3,681.04**	**2,582.83**	**85.83**	**402.96**	**6,752.66**

Trade payable ageing schedule

As at 31 March 2021 in ₹ million

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	more than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	5,800.18	795.52	565.57	156.32	7,317.59
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	**5,800.18**	**795.52**	**565.57**	**156.32**	**7,317.59**

24 Other liabilities

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Advance from customers	50,247.88	42,996.49
Withholding taxes payable	70.19	79.10
Others	170.48	118.58
	50,488.55	**43,194.17**

Breakup of financial liabilities carried at amortised cost

in ₹ million

	As at 31 March 2022	As at 31 March 2021
Borrowings (refer note 19)	24,630.40	30,030.62
Other financial liabilities (refer note 20)	6,440.74	6,562.97
Trade payables (refer note 23)	6,752.66	7,317.59
Total financial liabilities carried at amortised cost	**37,823.80**	**43,911.18**

25 Revenue from operations

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
Sale of products/ finished goods		
Income from property development	18,111.10	12,521.55
Income from sale of land and development rights	1,435.69	249.18
Income from glazing works	1,207.87	1,452.35
Income from interior works	737.70	799.13
Income from concrete blocks	520.10	410.59
Sale of services		
Income from contractual activity - Subsidiaries	-	-
Income from contractual activity	4,662.19	5,324.63
Rental income from operating leases (refer note 39)	395.82	206.04
Income from retail sales	76.91	8.25
Income from maintenance	103.93	95.30
Other operating revenue		
Scrap sales	57.29	30.77
	27,308.60	**21,097.79**

26 Other income

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
Other non-operating income (net of expenses directly attributable to such income)	198.48	384.66
Gain on foreign exchange difference (net)	-	0.05
Profit on sale of property, plant and equipment (net)	354.22	1.69
	552.70	**386.40**

27 Finance income

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income on		
Bank deposits	30.10	112.46
Unwinding of discount on deposits	324.35	307.35
	354.45	**419.81**

28 Cost of raw material and components consumed

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
Raw material at the beginning of the year	545.68	648.56
Add: Purchases during the year	2,073.40	1,759.08
Less: Raw material at the end of the year	636.87	545.68
Cost of raw material and components consumed	**1,982.21**	**1,861.96**

29 Changes in Inventories of Raw materials, Land stock, Work in progress, Stock in trade and Finished goods

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
Inventories at the end of the year		
Building materials	75.80	77.55
Land stock	11,852.43	13,982.28
Work-in-progress	50,357.49	44,840.41
Stock in trade - flats	11,224.45	11,684.87
Finished goods	124.15	115.56
	73,634.32	**70,700.67**
Inventories at the beginning of the year		
Building materials	77.55	91.59
Land stock	13,982.28	11,992.28
Work-in-progress	44,840.41	41,913.65
Stock in trade - flats	11,684.87	12,301.52
Finished goods	115.56	97.30
	70,700.67	**66,396.34**
Less: Transferred to other assets for development charges recoverable at cost from customers	-	25.23
Add: Opening inventory acquired on acquisition of subsidiary*	-	160.15
Less: Opening Inventory transferred to capital work in progress in SAPL	218.43	-
	70,482.24	**66,531.26**
(Increase)/ decrease	**(3,152.08)**	**(4,169.41)**

* Inventory acquired from acquisition of Annalakshmi Land Developers Pvt Ltd (with effect from 19.01.2021) by Sobha Highrise Ventures Private Limited.

30 Employee benefits expense

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	2,089.48	1,612.64
Contribution to provident and other funds	80.19	63.54
Gratuity expenses (refer note 37)	36.16	36.35
Compensated absence	37.57	9.59
Staff welfare expenses	51.07	49.15
	2,294.47	**1,771.27**

31 Depreciation and amortization expense

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant and equipment	562.97	647.95
Amortization of intangible assets	3.09	3.73
Depreciation of investment properties	155.03	141.99
	721.09	**793.67**

32 Other expenses

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
License fees and plan approval charges	201.69	177.72
Power and fuel	531.48	416.74
Water charges	31.68	33.80
Freight and forwarding charges	235.11	160.31
Rent (refer note 35)	177.33	207.58
Rates and taxes	99.64	106.89
Insurance	113.26	93.30
Property maintenance expenses	168.96	193.87
Repairs and maintenance		
Plant and machinery	36.92	30.21
Others	55.06	62.60
Advertising and sales promotion	607.06	424.63
Brokerage and discounts	81.01	129.28
Donation	121.40	97.90
Travelling and conveyance	236.20	178.86
Printing and stationery	28.48	29.59
Communication costs	0.14	0.18
Legal and professional fees	387.70	214.30
Directors' commission and sitting fees (refer note 35)	5.03	7.29
Payment to auditor (Refer details below)*	14.28	11.77
Exchange difference (net)	0.49	0.05
Allowance for credit loss	43.03	191.70
Bad debts written off	3.54	-
Security charges	184.23	180.45
Miscellaneous expenses	360.35	344.44
	3,724.07	**3,293.46**

***Payment to auditor**

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor:		
Audit fees [including fees for limited review ₹5.45 million (31 March 2021 - ₹4.35 million)]	10.56	9.68
In other capacity:		
Other services	2.60	1.21
Reimbursement of expenses	1.12	0.88
	14.28	**11.77**

33 Details of CSR expenditure:

Gross amount required to be spent during the year was ₹63.77 million (31 March 2021 -₹79.90 million)

Amount spent during the year ended 31 March 2022:	In cash	in cash
Construction/acquisition of any asset (in ₹ million)	-	-
On purposes other than above (in ₹ million)	123.20	97.90
	123.20	**97.90**
Amount spent during the year ended 31 March 2021:		
Construction/acquisition of any asset (in ₹ million)	-	-
On purposes other than above (in ₹ million)	97.90	162.60
	97.90	**162.60**
Shortfall at the end of the year	Nil	Nil
Total of previous years shortfall	Nil	Nil
Reasons for shortfall	Not applicable	Not applicable
Nature of CSR activities	Social empowerment	Social empowerment
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Nil	Nil
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately	Nil	Nil

34 Finance costs

in ₹ million

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest		
- On borrowings	2,160.52	2,793.02
- Others	5,145.28	3,045.39
Other borrowing cost and bank charges	190.78	173.73
Total finance costs	**7,496.58**	**6,012.14**

35 Related party disclosures

a) Name of the related parties and the nature of its relationship with the Group as below:

Joint Venture

Kondhwa Projects LLP

Key Shareholder

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

Key Management Personnel ('KMP')

Mr. Ravi PNC Menon - Chairman
Mr. J. C. Sharma - Vice Chairman and Managing Director (till 31 March 2022)
Mr. T P Seetharam - Whole-time Director
Mr. Jagadish Nangineni - Managing Director (Effective from 1st April 2022)

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

Mr. Subhash Bhat - Chief Financial Officer (till 14th November 2021)
Mr. Yogesh Bansal - Chief Financial Officer (with effect from 15th November 2021)
Mr. Vighneshwar G Bhat - Company Secretary

Other Directors

Mr. Anup Shah
Mr. R V S Rao
Mrs. Srivathsala KN
Mr. Sumeet Jagdish Puri (till 7th October 2021)

Relatives of key management personnel

Mrs. Sudha Menon

Other related parties [Enterprise owned or significantly influenced by key management personnel]

C.V.S.Tech Park Private Limited
Divyakaushal Properties LLP
Mannur Properties Private Limited
Mannur Real Estate Private Limited
Punkunnam Builders and Developers Private Limited
Puzhakkal Developers Private Limited
SBG Housing Private Limited
Sobha Aviation and Engineering Services Private Limited
Sobha Contracting LLC, Dubai
Sobha Glazing & Metal Works Private Limited
Sobha Projects & Trade Private Limited
Sobha Puravankara Aviation Private Limited
Sobha Renaissance Information Technology Private Limited
Sobha Space Private Limited
Sobha Technocity Private Limited
Sri Durga Devi Property Management Private Limited
Sri Kanakadurga Property Developers Private Limited
Sri Kurumba Educational and Charitable Trust
Sri Parvathy Land Developers Private Limited
Technobuild Developers Private Limited

b) Details of the transactions with the related parties:

in ₹ million

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
I. Transaction with joint venture		
Amount contributed to partnership current account		
Kondhwa Projects LLP	6.21	-
II. Transaction with other related parties		
Income from contractual activity		
Sobha Projects & Trade Private Limited	70.14	42.00
Mr. Ravi PNC Menon	-	19.58
Income from glazing works		
Sri Kurumba Educational and Charitable Trust	1.71	-
Mr. Ravi PNC Menon	-	18.04
Income from interior works		
Sri Kurumba Educational and Charitable Trust	0.43	-
Mr. Anup Shah	1.80	4.56
Mr. Ravi PNC Menon	-	15.20
Investment in partnership firm		
CVS TechZone LLP	-	3.59
Sale of interest in partnership firm		
CVS TechZone LLP	-	144.25
Purchase of project items		
Sobha Projects & Trade Private Limited	530.59	179.78
Aircraft hire charges		
Sobha Puravankara Aviation Private Limited	109.63	61.38
CSR expenditure - Donation		
Sri Kurumba Educational and Charitable Trust	121.10	97.90
Payments made on behalf of related party		
Pallavur Projects Private Limited	-	0.01
Puzhakkal Developers Private Limited	-	0.01
Land Advance		
Technobuild Developers Private Limited	-	41.36
Advance paid towards purchase of goods or services		
Puzhakkal Developers Private Limited	-	0.03
Sri Parvathy Land Developers Private Limited	0.03	-
Sri Durga Devi Property Management Private Limited	0.05	0.13
Refund of advance by the related party		
Technobuild Developers Private Limited	339.52	14.71
Sobha Projects & Trade Private Limited	-	13.17
Rent		
Sobha Glazing & Metal Works Private Limited	5.60	5.06

in ₹ million

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
III. Transaction with key managerial personnel		
Directors' remuneration		
Mr. J. C. Sharma	35.04	19.92
Mr. Ravi PNC Menon	80.38	51.15
Mr.T P Seetharam	6.44	6.71
Mr. Jagadish Nangineni (till 25 February 2021)	-	6.46
Dividend paid (payment basis)		
Mr. Ravi PNC Menon	11.15	21.74
Mr. J. C. Sharma	0.38	0.75
Mr. Subhash Bhat	0.00	-
Mr. Anup Shah	0.02	-
Mr. R V S Rao	0.05	-
Salary (including perquisites)		
Mr. Subhash Bhat (till 14th November 2021)	7.92	10.35
Mr. Vighneshwar G Bhat	4.69	3.45
Mr. Yogesh Bansal (with effect from 15th November 2021)	2.08	-
Directors' sitting fees and commission		
Mr. Anup Shah	1.88	1.79
Mr. R V S Rao	1.94	1.83
Mr. Sumeet Jagdish Puri	0.99	1.89
Mrs. Srivathsala KN	1.92	1.78
IV. Transaction with key shareholders		
Dividend paid (payment basis)		
Mr. P. N. C. Menon	60.73	84.43
Mrs. Sobha Menon	100.54	201.08
Mr. P. N. C. Menon and Mrs. Sobha Menon (jointly held shares)	37.02	37.02

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

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
I. Balances receivable from and payable to joint ventures		
Investment in partners current account		
Kondhwa Projects LLP	1,148.73	1,142.52
II. Balances receivable from and payable to other related parties		
Land advance		
Technobuild Developers Private Limited	8,199.84	8,543.01
Puzhakkal Developers Private Limited	52.20	52.20
Sri Parvathy Land Developers Private Limited	164.46	164.43
Sri Durga Devi Property Management Private Limited	43.10	43.05
Rent deposit		
Sobha Glazing & Metal Works Private Limited	47.47	42.36

c) Details of balances receivable from and payable to related parties (continued)

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Advances recoverable in cash or in kind		
Sobha Puravankara Aviation Private Limited	164.73	189.91
Punkunnam Builders and Developers Private Limited	-	0.05
Sobha Aviation and Engineering Services Private Limited	0.01	0.01
Mannur Properties Private Limited	0.02	0.02
Sobha Technocity Private Limited	0.02	0.02
Moolamcode Traders Private Limited	0.02	0.02
Trade receivables		
Sri Kurumba Educational and Charitable Trust	35.10	35.10
Puzhakkal Developers Private Limited	0.01	0.01
Technobuild Developers Private Limited	0.07	-
Sobha Projects & Trade Private Limited	211.57	361.96
Trade payables		
SBG Housing Private Limited	-	2.67
Sobha Projects & Trade Private Limited	26.20	28.09
Divyakaushal Properties LLP	-	0.60
Technobuild Developers Private Limited	382.25	586.42
Puzhakkal Developers Private Limited	0.01	0.01
Sri Parvathy Land Developers Private Limited	0.04	0.04
Sri Durga Devi Property Management Private Limited	0.02	0.02
Guarantees & Collaterals received		
Sri Durga Devi Property Management Private Limited	1,500.00	1,500.00
Sri Parvathy Land Developers Private Limited	1,500.00	1,500.00

III. Balances receivable from and payable to key managerial personnel

in ₹ million

Non-trade payable	As at 31 March 2022	As at 31 March 2021
Mr. J. C. Sharma	23.45	11.81
Mr. Ravi PNC Menon	15.52	2.00

d) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. The above related party transactions have been approved by the Board of Directors. Outstanding balances at the year-end are unsecured and interest free and will be settled in cash. For the year ended 31 March 2022, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2021 - ₹ Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

e) Compensation of key management personnel of the Group

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Short-term employee benefits	99.58	79.08
Commission to independent directors	6.73	7.29
Other benefits*	36.97	18.96
	143.28	**105.33**

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

The amounts disclosed in the table are the amounts recognised as an expense during the reporting period related to key management personnel.

f) Also, refer note 19 as regards guarantees received from key management personnel and relative of key management personnel and collateral securities offered by related companies in respect of loans availed by the Group.

36 Segment information

Basis of segmentation

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

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

The CEO monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Accordingly, the Group has identified following as its reportable segment for the purpose of Ind AS 108:
a) Real estate segment;
b) Contractual and manufacturing segment.

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

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

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

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

The following tables present revenue and profit information for the Group's operating segments for the year ended 31 March 2022 and 31 March 2021 respectively:

Business segments

in ₹ million

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Segment revenue		
Real estate	20,180.74	13,102.84
Contractual and manufacturing	7,919.86	7,296.80
Total segment revenue	**28,100.60**	**20,399.64**
Inter segment revenues	(792.00)	698.15
Net revenue from operations	**27,308.60**	**21,097.79**
Segment result		
Real estate	5,648.22	3,629.21
Contractual and manufacturing	849.78	1,381.26
Total segment results	**6,498.00**	**5,010.47**
Finance costs	(2,897.55)	(3,361.83)
Other unallocable expenditure	(2,601.43)	(1,703.00)
Other income (including finance income)	583.00	806.21
Profit before taxation	**1,582.02**	**751.85**
Income taxes	(413.19)	(129.09)
Profit after taxation	**1,168.83**	**622.76**

The following table presents assets and liabilities information for the Group's operating segments as at 31 March 2022 and 31 March 2021 respectively:-

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Segment assets		
Real estate	92,642.34	94,324.95
Contractual and manufacturing	9,282.69	10,008.87
Total segment assets	**1,01,925.03**	**1,04,333.82**
Unallocated assets	12,175.44	7,767.70
Total assets	**1,14,100.47**	**1,12,101.52**
Segment liabilities		
Real estate	55,366.87	51,932.87
Contractual and manufacturing	4,386.17	4,106.48
Total segment liabilities	**59,753.04**	**56,039.35**
Unallocated liabilities	29,242.22	31,784.82
Total liabilities	**88,995.26**	**87,824.17**
Capital employed		
Real estate	37,275.47	42,392.08
Contractual and manufacturing	4,896.52	5,902.39
Unallocated capital employed	(17,066.78)	(24,017.12)
Total capital employed	**25,105.21**	**24,277.35**

Basis of segmentation (continued)

Finance income and costs, and fair value gains and losses on financial assets pertaining to individual segments are allocated to respective segments.

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

in ₹ million

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Capital expenditure		
Real estate	-	57.86
Contractual and manufacturing	-	293.46
Unallocated capital expenditure	239.53	202.92
Total capital expenditure	**239.53**	**554.24**

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

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

Reconciliations to amounts reflected in the financial statements

(i) Reconciliation of assets

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Segment assets	**1,01,925.03**	**1,04,333.82**
Investment (refer note 10)	1,148.91	1,142.70
Prepaid expenses (refer note 13)	827.78	394.55
Balances with statutory/ government authorities (refer note 13)	1,268.07	1,097.26
Current tax assets (net) (refer note 22)	116.01	96.75
Deferred tax assets (net) (refer note 22)	19.37	19.21
Cash and bank balances (refer note 14 and 15)	1,783.09	2,041.49
Non-current bank balances (refer note 12)	175.28	60.60
Other unallocable assets	6,836.93	2,915.14
Total assets	**1,14,100.47**	**1,12,101.52**

(ii) Reconciliation of liabilities

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Segment liabilities	**59,753.04**	**56,039.35**
Borrowings (refer note 19)	24,630.40	30,030.62
Provisions (refer note 21)	329.25	289.96
Deferred tax liabilities (refer note 22)	150.72	341.75
Liabilities for current tax (net) (refer note 22)	202.94	87.11
Withholding taxes payable (refer note 24)	70.19	79.10
Others payable (refer note 24)	170.48	118.58
Other unallocable liabilities	3,688.24	837.70
Total liabilities	**88,995.26**	**87,824.17**

37 Employment benefit plans

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Net benefit liability-gratuity	**247.82**	**217.96**
Non-current	174.70	151.46
Current	73.12	66.50

The Group has a defined benefit gratuity plan in India ('the Plan'), governed by the Payment of Gratuity Act, 1972. The Plan entitles an employee, who has rendered at least five years of continuous service, to gratuity at the rate of fifteen days on salary for every completed year of service or part thereof in excess of six months, based on the rate of wages last drawn by the employee concerned.

The defined benefit plan for gratuity is administered by a single gratuity fund that is legally separate from the Group. The board of the gratuity fund comprises three employees. The board of the gratuity fund is required by law to act in the best interests of the plan participants and is responsible for setting certain policies (e.g. investment and contribution policies) of the fund.

The following tables summarise the components of net benefit expense recognised in the consolidated statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

in ₹ million

Particulars	31 March 2022	31 March 2021
Reconciliation of present value defined benefit obligation		
Obligation at the beginning of the year	220.36	215.46
Service cost	22.91	23.13
Interest cost	13.35	13.44
Benefits settled	(17.47)	(23.02)
Actuarial (gain)/loss (through OCI)	12.02	(8.65)
Obligation at the end of the year	**251.17**	**220.36**
Reconciliation of present value of planned assets		
Plan assets at the beginning of the year, at fair value	2.40	2.15
Interest income	0.15	0.13
Actuarial gain/(loss) (through OCI)	(0.03)	0.04
Contributions paid into the plan	18.30	23.10
Benefits settled	(17.47)	(23.02)
Plan assets at the end of the year, at fair value	**3.35**	**2.40**
Present value of defined benefit obligation at the end of the year	251.17	220.36
Less: Fair value of plan assets at the end of the year	3.35	2.40
Net liability recognised in the consolidated balance sheet	**247.82**	**217.96**
Expenses recognised in consolidated statement of profit and loss		
Service cost	22.91	23.13
Interest cost (net)	13.21	13.31
Gratuity cost	**36.12**	**36.44**
Capitalised to property plant and equipment	0.04	(0.09)
Net gratuity cost	**36.16**	**36.35**
Re-measurement gains/ (losses) in OCI		
Actuarial gain / (loss) due to demographic assumption changes	-	-
Actuarial gain / (loss) due to financial assumption changes	3.49	(1.62)
Actuarial gain / (loss) due to experience adjustments	(15.55)	10.27
Return on plan assets greater (less) than discount rate	0.02	0.04
Deferred tax charge	3.03	(2.19)
Total expenses routed through OCI	**(9.01)**	**6.50**

Employment benefit plans (continued)

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

Investment in insurance fund	100%	100%
Acturial assumptions		
Discount rate	6.41%	6.06%
Future salary growth	5.00%	5.00%
Employee turnover	15.00%	15.00%
Estimated rate of return on plan assets	6.41%	6.24%

Assumptions regarding future mortality are based on Indian Assured Lives Mortality (2006-08)

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

in ₹ million

Particulars	31 March 2022	31 March 2021
Effect of + 1% change in rate of discounting	(9.39)	(8.67)
Effect of - 1% change in rate of discounting	10.28	9.53
Effect of + 1% change in rate of salary growth	9.16	8.68
Effect of - 1% change in rate of salary growth	(8.60)	(8.13)
Effect of + 1% change in rate of employee turnover	0.51	0.17
Effect of - 1% change in rate of employee turnover	(0.59)	(0.22)

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

The following payments are expected contributions to the projected benefit plan in future years:

in ₹ million

Particulars	31 March 2022	31 March 2021
Within the next 12 months	49.27	42.77
Between 2 and 5 years	131.96	109.01
Between 5 and 10 years	89.56	81.27
Total expected payments	**270.79**	**233.05**

38 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 March 2022	31 March 2021
Profit after tax attributable to shareholders (amount in ₹ million)	1,168.83	622.76
Weighted average number of equity shares of ₹10 each fully paid outstanding during the year used in calculating basic and diluted EPS	94,845,853	94,845,853
Earnings per share - Basic and diluted (amount in ₹)*	12.32	6.57

* The Group does not have any potential dilutive equity shares and therefore basic and diluted EPS are same

39 Leases

Operating lease - Group as lessor

The Group has entered into commercial property leases on its property, plant and equipment. These operating leases have variable terms ranging from 12 months to 36 months up to eleven years. All leases include a clause to enable upward revision of the lease rental on periodical basis and includes variable rent determined based on percentage of sales of lessee.

The Group has recognised ₹395.82 million (31 March 2021 - ₹206.04 million) during the year towards lease rental income.

Minimum lease payments receivable in respect of these leases for non-cancellable period are as follows:

in ₹ million

Particulars	31 March 2022	31 March 2021
Within one year	374.97	320.18
After one year but not more than five years	869.51	1,073.06
More than five years	0.71	66.50
	1,245.19	**1,459.74**

Operating lease - Group as lessee

Operating lease obligations: The Group has taken office, other facilities and other equipment under cancellable and non-cancellable operating leases, which are renewable on a periodic basis with escalation as per agreement.

The Group has paid ₹177.33 million (31 March 2021 - ₹189.37 million) during the year towards minimum lease payments.

Future minimum rentals payable under non-cancellable operating lease are as follows:

in ₹ million

Particulars	31 March 2022	31 March 2021
Within one year	64.03	77.92
After one year but not more than five years	157.14	164.56
More than five years	45.34	66.91
	266.51	**309.39**

40 Contingent liabilities

Contingent liabilities (to the extent not provided for)

in ₹ million

Particulars	31 March 2022	31 March 2021
i Guarantees given by the Group	2,095.47	3,516.61
ii Income tax matters in dispute	105.55	308.82
iii Sales tax matters in dispute	918.84	909.00
iv Service tax matters in dispute	581.85	581.85
v Excise duty matters in dispute	1.27	7.27
	3,702.98	**5,323.55**

The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The Group does not expect any reimbursements in respect of the above contingent liabilities.

Regulatory Matters

a. In respect of matters relating to certain transactions entered into by the Holding Company in earlier years, the Holding Company was asked to provide contracts, documents, correspondences, business rationale and justification for these transactions by regulatory authorities, the Holding Company has been responding to the same from time to time. Securities and Exchange Board of India (SEBI) had further summoned the Holding Company under section 11(2), and 11C(2), 11C(3) of the SEBI Act, 1992 for production of documents and responses in respect of the aforesaid transactions. The Holding Company has duly responded to the e-mail queries and the Summons within the time allotted.

During the current year, the Holding Company has agreed, with the other parties, for a manner of settlement of the dues amounting to ₹578 million. Based on this, ₹278 million has been settled by transfer of other parties' units of an ongoing launched project (Project 1). The Holding Company has sold these units in its normal course of business during the current year, so transferred, and realise the amount. The realization terms of the balance, i.e. ₹300 million has been renegotiated and agreed to be settled through the landowners' revenue share in sales proceeds of another project (Project 2), which is expected to be launched by next year. The Holding Company has a consent/confirmation from the other party for appropriation of the landowners' revenue share in sales proceeds of another project (Project 2), settlement of this due which is supported by a legal advise on its enforceability. Based on the best estimate of the management, this will be realized over a period of 2 – 4 years.

Also, during the current year, the Holding Company has received a show cause notice (SCN) from SEBI for alleged violation of certain provisions of the SEBI Act, 1992 and Regulations issued by SEBI thereunder, thus, initiating adjudication proceedings in the above matter. The Holding Company, in consultation with its external legal counsel, has responded to the charges made in the SCN and has filed a settlement application under the SEBI (Settlement Proceedings) Regulation, 2018, without admitting or denying the finding of fact and conclusions of law.

Further, the Holding Company, based on its discussion with SEBI and in consultation with it's external counsel, has agreed for the settlement amount, vide letter to SEBI dated 25 April 2022. The response from SEBI is currently awaited.

Based on the Holding Company's overall assessment including legal advice on enforceability of the manner of settlement, the outstanding amounts are considered fully recoverable and the terms of the aforesaid transactions are not prejudicial to the interests of the Holding Company. The Holding Company has not identified any adverse material impact to the financial statements of the Holding Company as at 31 March 2022 or for earlier periods.

b. The Holding Company had entered into a joint development arrangement with certain Land Owners in Gurugram, Haryana, in earlier years. In respect of this transaction, the concerned authorities are examining if there were irregularities in respect of the manner of allotment and pricing of certain plots under this project or payment of applicable fees and charges by the Holding Company or the landowners, with respect to the terms and conditions mentioned in the development policy of Haryana Development and Regulation of Urban Areas Act (HDRUAA), 1975 and the bilateral agreement between the land owners and Directorate of Town and Country Planning, Haryana (DTCP).

. As part of the inquiry, the Holding Company and its officers have been asked to provide contracts, documents and justification in respect of this transaction by the concerned authorities and the proceedings on this matter are in progress. The Holding Company and its officers have been responding to the queries raised / documents sought from time to time.

The Holding Company, based on its overall assessment and independent legal opinion obtained, believes that these transactions have been carried out in accordance with all the applicable laws and regulations and the said bilateral agreement. The Holding Company has not identified any adverse material impact to the financial statements of the Holding Company as at 31 March 2022 or for earlier periods.

41 Commitments and other litigations

a. Commitments

(a) The estimated amount of contracts, net of advances remaining to be executed on capital account is ₹ Nil million (31 March 2021 - ₹0.07 million).

(b) At 31 March 2022, the Group has given ₹12,523.57 million (31 March 2021 - ₹13,811.68 million) as advances for purchase of land. Under the agreements executed with the land owners, the Group is required to make further payments under the agreements based on the terms/ milestones stipulated under the agreements.

(c) The Group has entered into joint development agreements with owners of land for its construction and development. Under the agreements, the Group is required to pay deposits to the owners of the land and share in area/ revenue from such development in exchange of undivided share in land as stipulated under the agreements. As of 31 March 2022, the Group has paid ₹4,080.06 million (31 March 2021 - ₹4,829.98 million) as refundable deposit (undiscounted) against the joint development agreements.

(d) The Group has entered into an aircraft usage agreement with a party wherein the Group along with certain other parties has committed minimum usage of aircraft. During the year ended 31 March 2022, the Group incurred ₹109.63 million (31 March 2021 - ₹61.38 million) towards aircraft usage as per the agreement.

b. Other litigations

(a) Claims have been levied on the Group by Bruhat Bengaluru Mahanagara Palike ('BBMP') towards certain statutory charges which includes betterment charges, ground rent charges, etc. on certain real estate projects undertaken by the Group, the impact of which is not quantifiable. These claims are pending with various courts and are scheduled for hearings. 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.

(b) The Group is subject to legal proceedings and claims, which have arisen in the ordinary course of business, including certain litigation for lands acquired by it for construction purposes, either through joint development agreements or through outright purchases, the impact of which is not quantifiable. These cases are pending with various courts and are scheduled for hearings. After considering the circumstances and legal advice received, management believes that these cases will not adversely effect its financial statements.

Service tax matters in dispute includes demands raised for joint development agreements, the tax impact of which for future years is not ascertainable. The Group has evaluated such arrangements for tax compliance and based on experts opinion, the management is of the view that the tax positions are appropriate.

42 Construction contracts

in ₹ million

Particulars	31 March 2022	31 March 2021
Contract revenue recognised as revenue for the year ended	23,326.05	17,916.11
Aggregate amount of contract costs incurred and recognised profits (less recognised losses) up to for all the contracts in progress	177,390.90	69,305.80
The amount of customer advances outstanding for contracts in progress for which revenue has been recognised	16,179.90	8,229.27
The amount of work-in-progress and value of inventories	37,273.81	24,330.29
The amount of retentions due from customers for contracts in progress	648.45	514.35

43 Contract balances

The following table discloses the movement in contract assets

in ₹ million

Particulars	31 March 2022	31 March 2021
Opening balance	3,047.06	1,932.50
Revenue recognised during the year	5,058.01	5,530.67
Invoices during the year	(5,228.58)	(4,416.11)
Closing balance	**2,876.49**	**3,047.06**

44 Derivative instruments and unhedged foreign currency exposure

in ₹ million

Particulars	31 March 2022	31 March 2021
Foreign currency exposure that are not hedged by derivative instruments or otherwise:		
Trade payables	24.85	11.40

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

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis or the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small mid Medium Enterprises Development Act, 2006 except as set out in the following disclosures.

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Company and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the standalone financial statement as at 31 March 2022 and 31 March 2021 based on the information received and available with the Company.

in ₹ million

Particulars	31 March 2022	31 March 2021
i. Principal amount remaining unpaid to any supplier as at the year end	-	-
ii. Interest due thereon	-	-
iii. Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
iv. Amount of interest due and payable for the year of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED, 2006	-	-
v. Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
vi. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

46 Capitalization of expenditure

During the year, the Group has capitalized the following expenses of revenue nature to capital work-in-progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Group.

in ₹ million

Particulars	31 March 2022	31 March 2021
Opening capital work in progress	700.58	2,323.14
Add: Expenses incurred during the year		
Purchase of project materials	65.03	103.65
Subcontractor and other charges	-	37.94
Salaries, wages and bonus	-	4.89
Rent	-	0.95
Others	-	20.25
Sub-total	**65.03**	**167.68**
Less: Expenses charged to profit and loss account	449.07	1,790.24
Less: Expenses capitalised as investment property	251.51	-
Sub-total	**700.58**	**1,790.24**
Closing capital work in progress	**65.03**	**700.58**

47 Fair value measurements

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

Particulars	As at 31 March 2022			As at 31 March 2021		
	At cost	Fair value through profit or loss	At amortised cost	At cost	Fair value through profit or loss	At amortised cost
Financial assets						
Investments (refer note 10)	1,148.73	-	0.18	1,142.52	-	0.18
Trade receivables (refer note 11)	-	-	4,068.75	-	-	2,361.17
Cash and bank balances (refer note 14 and 15)	-	-	1,783.09	-	-	2,041.49
Other financials assets (refer note 12)	-	-	6,345.83	-	-	7,136.31
Total	**1,148.73**	**-**	**12,197.85**	**1,142.52**	**-**	**11,539.15**
Financial liabilities						
Borrowings (refer note 19)	-	-	24,630.40	-	-	30,030.62
Trade payables (refer note 23)	-	-	6,752.66	-	-	7,317.59
Other financial liabilities (refer note 20)	-	-	6,440.74	-	-	6,562.97
Total	**-**	**-**	**37,823.80**	**-**	**-**	**43,911.18**

b. Fair value hierarchy

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

in ₹ million

Particulars	As at 31 March 2022				As at 31 March 2021			
	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 fair value through profit and loss	-	-	-	-	-	-	-	-
Investments at amortized cost	0.18	-	-	0.18	0.18	-	-	0.18
	0.18	**-**	**-**	**0.18**	**0.18**	**-**	**-**	**0.18**
Assets for which fair value are disclosed								
Investment properties	3,676.61	-	-	7,546.00	3,529.21	-	-	6,890.00
	3,676.61	**-**	**-**	**7,546.00**	**3,529.21**	**-**	**-**	**6,890.00**

Notes:

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

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

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

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

Financial instruments 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.

48 Financial risk management objectives and policies

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

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by a risk management committee that advises on financial risks and the appropriate financial risk governance framework for the Group. The risk management committee provides assurance to the Group's senior management that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, 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. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity/ real estate risk. Financial instruments affected by market risk include borrowings and refundable deposits.

The sensitivity analysis in the following sections relate to the position as at 31 March 2022 and 31 March 2021. The sensitivity analysis have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt.

The analysis exclude the impact of movements in market variables on: the carrying values of gratuity and other post retirement obligations; provisions.

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2022 and 31 March 2021.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Group 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 borrowings affected. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

in ₹ million

	Increase/ decrease in interest rate	Effect on profit before tax *
31 March 2022		
INR	+1%	(250.11)
INR	-1%	250.11
31 March 2021		
INR	+1%	(303.86)
INR	-1%	303.86

* Determined on gross basis i.e. without considering inventorisation of such borrowing cost.

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including refundable joint development deposits, security deposits, loans to employees and other financial instruments.

Trade receivables

(a) Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Group's credit risk in this respect.

(b) Receivables resulting from leasing of properties: Group has established credit limits for customers and monitors their balances on an on-going basis. Credit appraisal is performed by the management before lease agreements are entered into with customers. The risk is also mitigated due to customers placing significant amount of security deposits for lease and fit-out rentals.

(c) Receivables resulting from other than sale of properties and leasing of properties : Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Group does not hold collateral as security. The Group's credit period generally ranges from 30-60 days.

(d) Revenue from one customer individually accounted for more than 10% of the Group's revenue for the year ended 31 March 2022 and 31 March 2021. No single customer individually accounted for more than 10% of the trade receivable balance of the Group as at 31 March 2022 and 31 March 2021.

Movement in allowance for credit losses — in ₹ million

Particulars	31 March 2022	31 March 2021
Opening balance	637.54	534.40
Amounts written off	-	-
Net remeasurement of loss allowance	43.04	103.14
Closing balance	**680.58**	**637.54**

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's Finance Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2022 and 31 March 2021 is the carrying amounts.

C. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group uses activity-based costing to cost its products and services, which assists it in monitoring cash flow requirements and optimising its cash return on investments.

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

in ₹ million

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
31 March 2022						
Borrowings (refer note 19)	6,293.84	1,300.31	5,974.31	10,563.01	498.93	24,630.40
Trade payables (refer note 23)	-	6,104.97	381.24	266.45	-	6,752.66
Other financial liabilities (refer note 20)	812.19	1,260.25	4,368.30	-	-	6,440.74
	7,106.03	**8,665.53**	**10,723.85**	**10,829.46**	**498.93**	**37,823.80**

FINANCIAL STATEMENTS
CONSOLIDATED

Liquidity risk (continued)

in ₹ million

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
31 March 2021						
Borrowings (refer note 19)	3,846.01	1,868.84	5,006.30	18,012.32	1,297.15	30,030.62
Trade payables (refer note 23)	200.00	5,686.70	1,150.07	250.67	47.81	7,335.25
Other financial liabilities (refer note 20)	207.49	3,037.47	3,318.01	-	-	6,562.97
	4,253.50	**10,593.01**	**9,474.38**	**18,262.99**	**1,344.96**	**43,928.84**

49 Capital management

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

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing borrowings, trade payables and other financial liabilities (excluding liability under JDA), less cash and bank balances.

in ₹ million

Particulars	As at 31 March 2022	As at 31 March 2021
Borrowings (long-term and short-term, including current maturities of long term borrowings) (Note 19 and 20)	25,138.16	30,030.62
Trade payables (Note 23)	6,752.66	7,317.59
Other financial liabilities (current and non-current, excluding current maturities of long term borrowings) (Note 20)	5,932.98	6,077.28
Other liabilities (Note 24)	50,488.55	43,194.17
Less: Cash and bank balances (Note 14 and 15)	(1,783.09)	(2,041.49)
Net debt	**86,529.26**	**84,578.17**
Equity share capital (Note 16)	948.46	948.46
Other equity (Note 17)	24,156.75	23,328.89
Total capital	**25,105.21**	**24,277.35**
Capital and net debt	**111,634.47**	**108,855.52**
Gearing ratio	77.51%	77.70%

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

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

50 Additional information pursuant to para 2 of general instructions for the preparation of the consolidated financial statements for year ended 31 March 2022 and 31 March 2021

31 March 2022

in ₹ million

Name of the entity	Net assets		Share in profit or loss		Share in OCI		Share in total comprehensive income	
	% of consolidated net assets	₹ million	% of consolidated profit or loss	₹ million	% of consolidated OCI	₹ million	% of consolidated total comprehensive income	₹ million
Parent								
Sobha Limited	83.56%	23,658.29	91.99%	1,128.52	100.00%	(9.01)	91.93%	1,119.51
Subsidiaries								
Indian								
Sobha City ['Partnership firm']	5.88%	1,665.58	1.06%	12.95	0.00%	-	1.06%	12.95
Vayaloor Properties Private Limited	0.01%	2.07	0.00%	-	0.00%	-	0.00%	-
Vayaloor Builders Private Limited	0.01%	3.44	0.00%	0.01	0.00%	-	0.00%	0.01
Vayaloor Developers Private Limited	0.01%	3.33	0.00%	-	0.00%	-	0.00%	-
Vayaloor Real Estate Private Limited	0.01%	3.44	0.00%	-	0.00%	-	0.00%	-
Vayaloor Realtors Private Limited	0.00%	0.69	0.00%	-	0.00%	-	0.00%	-
Valasai Vettikadu Realtors Private Limited	0.01%	1.47	0.00%	-	0.00%	-	0.00%	-
Sobha Developers (Pune) Limited	7.56%	2,140.06	1.78%	21.86	0.00%	-	1.80%	21.86
Sobha Assets Private Limited	0.00%	0.57	0.05%	0.63	0.00%	-	0.05%	0.63
Sobha Highrise Ventures Private Limited	2.41%	681.66	2.20%	26.99	0.00%	-	2.22%	26.99
Sobha Interiors Private Limited	0.12%	32.61	0.38%	4.66	0.00%	-	0.38%	4.66
Sobha Construction Products Private Limited	0.04%	10.23	0.03%	0.38	0.00%	-	0.03%	0.38
Sobha Contracting Private Ltd	-0.01%	(1.56)	-0.02%	(0.20)	0.00%	-	-0.02%	(0.20)
Sobha Nandambakkam Developers Limited	0.16%	44.72	0.27%	3.35	0.00%	-	0.28%	3.35
Sobha Tambaram Developers Limited	0.36%	103.24	1.60%	19.65	0.00%	-	1.61%	19.65
Kilai Builders Pvt Ltd	0.00%	(0.18)	-0.02%	(0.21)	0.00%	-	-0.02%	(0.21)
Kuthavakkam Builders Private Limited	-0.07%	(18.74)	0.00%	(0.03)	0.00%	-	0.00%	(0.03)
Kuthavakkam Realtors Private Limited	-0.06%	(17.64)	0.67%	8.20	0.00%	-	0.67%	8.20
Joint ventures (Investment as per the equity method)								
Kondhwa Projects LLP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sub total	**100.00%**	**28,313.28**	**100.00%**	**1,226.76**	**100.00%**	**(9.01)**	**100.00%**	**1,217.75**
Adjustments arising out of consolidation		(3,208.07)		(57.93)		-		(57.93)
Total		**25,105.21**		**1,168.83**		**(9.01)**		**1,159.82**

50 Additional information pursuant to para 2 of general instructions for the preparation of the consolidated financial statements for year ended 31 March 2022 and 31 March 2021 (continued)

31 March 2021 in ₹ million

Name of the entity	Net assets		Share in profit or loss		Share in OCI		Share in total comprehensive income	
	% of consolidated net assets	₹ million	% of consolidated profit or loss	₹ million	% of consolidated OCI	₹ million	% of consolidated total comprehensive income	₹ million
Parent								
Sobha Limited	84.68%	22,870.74	81.70%	655.39	100.00%	6.50	81.85%	661.89
Subsidiaries								
Indian								
Sobha City ['Partnership firm']	4.56%	1,232.57	17.72%	142.11	0.00%	-	17.57%	142.11
Vayaloor Properties Private Limited	0.01%	2.07	0.00%	0.01	0.00%	-	0.00%	0.01
Vayaloor Builders Private Limited	0.01%	3.43	0.00%	0.01	0.00%	-	0.00%	0.01
Vayaloor Developers Private Limited	0.01%	3.32	0.00%	0.01	0.00%	-	0.00%	0.01
Vayaloor Real Estate Private Limited	0.01%	3.43	0.00%	0.01	0.00%	-	0.00%	0.01
Vayaloor Realtors Private Limited	0.00%	0.70	0.00%	-	0.00%	-	0.00%	-
Valasai Vettikadu Realtors Private Limited	0.01%	1.47	0.00%	-	0.00%	-	0.00%	-
Sobha Developers (Pune) Limited	7.84%	2,117.92	0.48%	3.89	0.00%	-	0.48%	3.89
Sobha Assets Private Limited	0.00%	(0.06)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Sobha Highrise Ventures Private Limited	2.42%	654.66	-0.64%	(5.16)	0.00%	-	-0.64%	(5.16)
Sobha Interiors Private Limited	0.10%	27.95	0.67%	5.37	0.00%	-	0.66%	5.37
Sobha Construction Products Private Limited	0.04%	9.92	0.02%	0.16	0.00%	-	0.02%	0.16
Sobha Contracting Private Ltd	-0.01%	(1.36)	-0.03%	(0.24)	0.00%	-	-0.03%	(0.24)
Annalakshmi Land Developers Private Ltd	0.00%	(0.11)	0.00%	(0.01)	0.00%	-	0.00%	(0.01)
Sobha Nandambakkam Developers Limited	0.15%	41.37	0.11%	0.87	0.00%	-	0.11%	0.87
Sobha Tambaram Developers Limited	0.31%	83.59	0.00%	0.01	0.00%	-	0.00%	0.01
Kilai Builders Pvt Ltd	0.00%	(0.11)	0.00%	-	0.00%	-	0.00%	-
Kuthavakkam Builders Private Limited	-0.07%	(18.69)	0.00%	-	0.00%	-	0.00%	-
Kuthavakkam Realtors Private Limited	-0.10%	(25.72)	-0.03%	(0.23)	0.00%	-	-0.03%	(0.23)
Joint ventures (Investment as per the equity method)								
Kondhwa Projects LLP	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Sub total	**100.00%**	**27,007.09**	**100.00%**	**802.19**	**100.00%**	**6.50**	**100.00%**	**808.69**
Adjustments arising out of consolidation		(2,727.46)		(177.15)		-		(177.15)
Total		**24,279.63**		**625.04**		**6.50**		**631.54**

51 Utilisation of borrowed funds

in ₹ million

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Gross proceeds from non-current borrowings	4,094.42	1,718.45
Gross proceeds from secured debentures	495.09	-
Gross proceeds from secured loans	8,503.79	14,185.29
	13,093.30	**15,903.74**
Utilisation for the general construction and development purpose	13,093.30	15,903.74
Unutilised borrowed funds	**-**	**-**

52 Disclosure required for Borrowing based on security of current Assets

The Group has been sanctioned borrowings amounting to ₹ 4,000 million, in aggregate, from banks or financial institutions on the basis of security of current assets. The Group has filed quarterly returns or statements with such banks or financial institutions which are in agreement with books of account of the Group.

53 Disclosure of Struck off companies

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

54 Other Statutory Information

a) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,

b) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

c) The Group is not declared as wilful defaulter by any bank of financial institution or other lenders.

d) The Group does not have any approved schemes of arrangements during the year.

e) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or,

ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

f) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or,

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

a) Crypto currency or Virtual Currency

b) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.

55 Impact due to oubreak of COVID-19

The management has assessed and determined that considering the nature of its operations and overall revenue model, the second and the third wave of COVID-19 have not had any material impact on the Group's financial position as at 31 March 2022, its financial performance for the year then ended and its internal control over financial reporting as at 31 March 2022. Due to the nature of the pandemic, the Group will continue to monitor developments to identify significant uncertainties in future periods, if any.

56 Prior year comparatives

The previous period / year figures have been regrouped / reclassified, wherever necessary, to conform to the current quarter presentation in order to comply with the requirements of the amended Schedule III to the Companies Act, 2013.

As per our report of even date attached
for **B S R & Co. LLP**
Chartered Accountants
ICAI Firm registration number: 101248W/W-100022

Amrit Bhansali
Partner
Membership No.: 065155

Place : Bengaluru, India
Date : 20 May 2022

for and on behalf of the Board of Directors of
Sobha Limited

Ravi PNC Menon
Chairman
DIN: 02070036

Jagadish Nangineni
Managing Director
DIN: 01871780

Yogesh Bansal
Chief Financial Officer

Vighneshwar G Bhat
Company Secretary and Compliance Officer

Place : Bengaluru, India
Date : 20 May 2022

Form AOC – I

(Pursuant to first proviso to sub-section (3) of Section 129 of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of Subsidiaries, Associate Companies /Joint Ventures

Part "A": Subsidiaries

Particulars	Sobha Developers (Pune) Limited	Sobha Highrise Ventures Private Limited	Sobha Assets Private Limited	Sobha Tambaram Developers Limited	Sobha Nandambakkam Developers Limited	Sobha Construction Products Private Limited	Sobha Contracting private Limited*	Kilai Builders Private Limited**	Sobha Interiors Private Limited**	Kuthavakkam Builders Private Limited**	Kuthavakkam Realtors Private Limited**
Reporting Period	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22	2021-22
Reporting Currency	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million	₹ in million
Share Capital	0.526	206.00	0.100	0.500	0.500	10.000	0.100	0.500	6.000	0.500	0.500
Reserve and Surplus	2,138.636	475.66	0.466	102.740	44.217	0.226	(1.663)	(0.680)	26.606	(19.241)	(18.135)
Total Assets	2,165.330	1,344.62	119.191	105.980	94.966	10.236	973.607	404.450	273.718	53.376	104.426
Total Liabilities	26.168	662.96	118.625	2.740	50.249	0.010	975.170	404.630	241.112	72.117	122.061
Investments	1,697.379	0.10	-	-	-	-	-	-	123.275	-	-
Turnover	30.422	216.78	0.823	39.486	11.160	0.513	-	-	27.493	-	17.700
Profit before Taxation	28.215	37.12	0.797	26.406	4.525	0.497	(0.200)	(0.209)	6.921	(0.028)	10.907
Provision for Taxation	7.254	10.13	0.169	6.758	1.177	0.114	-	-	2.261	-	2.703
Profit after Taxation	20.961	26.99	0.628	19.648	3.348	0.383	(0.200)	(0.209)	4.660	(0.028)	8.204
Proposed Dividend	-	-	-	-	-	-	-	-	-	-	-
% Share Holding	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

*Sobha Contracting Private Limited is a wholly owned subsidiary of Sobha Highrise Ventures Private Limited. Hence, a stepdown subsidiary of Sobha Limited.

**Kilai Builders Private Limited, Sobha Interiors Private Limited, Kuthavakkam Builders Private Limited and Kuthavakkam Realtors Private Limited are wholly owned subsidiaries of Sobha Developers (Pune) Limited. Hence, stepdown subsidiaries of Sobha Limited.

Note:

1. Names of subsidiaries which are yet to commence business: None.
2. Names of subsidiaries which have been liquidated or sold during the year: Sobha Highrise ventures Private Limited disposed off the entire shares of Annalaxmi Land Developers Private Limited.

Part “B”: Associates and Joint Ventures

CVS Tech Park Private Limited, an associate of Sobha Limited was incorporated on 5th March, 2018.

Particulars	CVS Tech Park Private Limited
Reporting Period	2021-22
Reporting Currency	₹ in Million
Share Capital	0.10
Reserve and Surplus	-
Total Assets	0.11
Total Liabilities	0.11
Investments	-
Turnover	-
Profit before Taxation	-
Provision for Taxation	-
Profit after Taxation	-
Proposed Dividend	-
% Share Holding	49%

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

Sd/-
Ravi PNC Menon
Chairman
DIN: 02070036

Sd/-
Jagadish Nangineni
Managing Director
DIN: 01871780

Place : Bengaluru, India
Date : 20 May, 2022

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Seventh Annual General Meeting of the Members of Sobha Limited will be held on Wednesday, the 10th August, 2022 at 3:00 PM through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:

   (a) The standalone financial statements of the Company which includes the Audited Balance Sheet as at March 31, 2022, the Statement of Profit and Loss for the financial year ended as on that date and the Cash Flow Statement together with reports of the Board of Directors and the Statutory Auditors thereon.

   (b) The consolidated financial statements of the Company which includes the Audited Balance Sheet as at March 31, 2022, the Statement of Profit and Loss for the financial year ended as on that date and the Cash Flow Statement together with reports of the Statutory Auditors thereon.

2. To declare a dividend on equity shares for the financial year ended March 31, 2022 and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an *Ordinary Resolution*:

   "RESOLVED THAT a dividend at the rate of ₹3.00/- (Three rupees only) per equity share of ₹10/- (Ten rupees) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended March 31, 2022 and the same be paid out of the profits of the Company."

3. To appoint a Director in place of Mr. Ravi PNC Menon (DIN: 02070036), who retires by rotation as a Director and in this regard, to consider and if thought fit, to pass with or without modification(s), the following resolution as an *Ordinary Resolution*:

   "RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mr. Ravi PNC Menon (DIN: 02070036), who retires by rotation at this meeting, be and is hereby appointed as a Director of the Company."

4. To appoint Statutory Auditors and to fix their remuneration and in this regard, to consider and if thought fit, to pass with or without modification (s), the following resolution as an *Ordinary Resolution:*

   "RESOLVED THAT pursuant to Section 139, 142 and other applicable provisions if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, Messrs Walker Chandiok & Co. LLP, Chartered Accountants (Firm registration No. 001076N/N500013), be and are hereby appointed as the Statutory Auditors of the Company in place of Messrs B S R & Co. LLP, Chartered Accountants (Firm Registration No. 101248W/W-100022), retiring auditors, to hold office for a term of 5 (five) years from the conclusion of this Annual General Meeting until the conclusion of the 32nd Annual General Meeting of the Company, at such remuneration to be recommended by the Audit Committee of the Board of Directors and finalized by the Board of Directors in consultation with the Statutory Auditors.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized for and on behalf of the Company to take all necessary steps and to do all such acts, deeds, matters and things which may deem necessary in this regard."

SPECIAL BUSINESS:

5. Ratification of remuneration payable to Cost Auditors:

   To consider and if thought fit, to pass with or without modification(s), the following resolution as an *Ordinary Resolution*:

"RESOLVED THAT pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, including any amendment or re-enactment thereof and any other law for the time being in force, the approval of the members of the Company be and is hereby accorded for the payment of remuneration not exceeding ₹185,000 (Rupees one lakh and eighty five thousand only) plus reimbursement of out of pocket expenses and taxes as may be applicable from time to time to M/s. Srinivas and Co., Cost Accountants (Firm Registration No: 000278), the Cost Auditors of the Company for the financial year 2021-22.

RESOLVED FURTHER THAT any of the Directors or the Company Secretary and Compliance Officer of the Company be and are hereby severally authorised to do all such acts, deeds, things, matters, and to execute all such documents as may be required to give effect to this Resolution."

6. Issue of Non-Convertible Debentures on private placement basis:

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a *Special Resolution*:

"RESOLVED THAT pursuant to the provisions of Section 42, 71 and other applicable provisions, if any, of the Companies Act, 2013, relevant rules made thereunder and any other law for the time being in force and the provisions contained in the Memorandum and Articles of Association of the Company, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations 2021, the guidelines issued by the Securities and Exchange Board of India (SEBI) and subject to the approval, permissions and sanctions of the lenders of the Company, SEBI, Stock Exchanges, Reserve Bank of India (RBI), Government of India and other concerned authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of the aforementioned authorities while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company, the approval of the members be and is hereby accorded to the Board of Directors of the Company to offer or invite subscription for secured or unsecured redeemable non-convertible debentures including but not limited to other debt securities, in one or more series or tranches, aggregating up to ₹700,00,00,000 (Rupees Seven hundred crore only), on a private placement basis, on such terms and conditions as the Board of Directors may, from time to time, determine and consider proper and beneficial to the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution, the members hereby authorise the Board of Directors to do all such acts, deeds, matters and things, settle all question, difficulties or doubts that may arise in regard to the issue or allotment of such Debentures, utilisation of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board of Directors may in its absolute discretion deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

By Order of the Board of Directors
For Sobha Limited

Sd/-

Place: Bangalore | **Vighneshwar G Bhat**
Date : 20th May, 2022 | **Company Secretary & Compliance Officer**

Registered Office:
SOBHA,
Sarjapur-Marathahalli Outer Ring Road,
Bellandur Post, Bangalore – 560 103.
CIN: L45201KA1995PLC018475

NOTES:

1. Pursuant to General Circular No.2/2022 dated May 5, 2022 and all other applicable circulars issued by the Ministry of Corporate Affairs (MCA) and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022 and other applicable circulars issued by the Securities and Exchange Board of India (hereinafter collectively referred to as 'Circulars'), the Annual General Meeting ("AGM") of the Company is convened through Video Conferencing/Other Audio-Visual Means (VC/OAVM).
2. In terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India, additional information on directors seeking appointment/re-appointment is provided separately.
3. Statement pursuant to the provisions of Section 102(1) of the Companies Act, 2013 is annexed to and forms part of this Notice.
4. **SINCE THIS AGM IS BEING HELD PURSUANT TO THE CIRCULARS THROUGH VC/OAVM, PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE AGM AND HENCE, THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE.**
5. Since the AGM being held through VC/OAVM, the Route Map is not attached to this Notice.

VOTING THROUGH ELECTRONIC MEANS AND PARTICIPATION AT THE ANNUAL GENERAL MEETING

6. In terms of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), listed companies are required to provide Members with the facility to exercise their votes at general meetings through electronic means. The Company has availed the services of M/s. Link Intime India Private Limited (Link Intime) for providing the necessary remote e-Voting platform to the Members of the Company.
7. Members may note that the Notice of the Twenty Seventh Annual General Meeting and the Annual Report 2022 will be available on the Company's website: www.sobha.com. The Notice of Annual General Meeting shall also be available on the website of M/s. Link Intime India Private Limited. The Company has published a Public Notice by way of advertisement in a Kannada newspaper and in an English newspaper with the required details of 27th AGM, for information of the Members.
8. **The e-Voting period shall commence on Sunday, the 7th August, 2022 at 9:00 AM and ends on Tuesday, 9th August, 2022 at 5.00 PM. Once the vote on a resolution is cast by a shareholder, it cannot be changed subsequently.**
9. Voting rights will be reckoned on the paid up value of shares registered in the name of Members on **Wednesday, 3rd August, 2022 (cut-off date)**. Only whose names appear in the Register of Members of the Company or in the Register of Beneficial owners maintained by the depositories as on the cut-off date i.e. Wednesday, 3rd August, 2022 will be eligible to cast their vote through remote e-Voting or e-Voting during the AGM.
10. The Board of Directors has appointed Mr. Nagendra D Rao, Practising Company Secretary (Membership No. 5553, COP No. 7731) and in his absence Mr. Natesh K, Practising Company Secretary (Membership No. 6835, COP No. 7277) as the Scrutinizer for conducting the remote e-Voting process or e-Voting during the AGM in accordance with law and in a fair and transparent manner. The Scrutinizer shall within a period not exceeding 48 hours from the conclusion of the annual general meeting, prepare a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, and submit it forthwith to the Chairman of the Company.
11. The Results declared along with the Scrutinizer's Report shall be placed on the website of the Company and on the website of Link Intime.
12. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.

13. a. The details of the process and manner for remote e-Voting are explained herein below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password.

Individual Shareholders holding securities in demat mode with NSDL.	2. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting and voting during the meeting. 3. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 4. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi/Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi/Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the e-Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, Karvy, Link Intime or CDSL. Click on e-Voting service provider name to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. Link Intime where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. 2. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider and you will be redirected to e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in Physical mode & evoting service provider is LINK INTIME.	1. Open the internet browser and launch the URL: https://instavote.linkintime.co.in ➢ Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: a. User ID: Shareholders/members holding shares in physical form shall provide Event No + Folio Number registered with the Company. b. PAN: Enter your 10-digit Permanent Account Number (PAN). Members who have not updated their PAN with the Depository Participant (DP)/the Company shall use the sequence number provided to you, if applicable.

Individual Shareholders holding securities in Physical mode & evoting service provider is LINK INTIME.	c.	DOB/DOI: Enter the Date of Birth (DOB)/Date of Incorporation (DOI) (As recorded with your DP/Company - in DD/MM/YYYY format).
	d.	Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
	e.	Shareholders/ members holding shares in physical form but have not recorded 'c' and 'd', shall provide their Folio number in 'd' above.
	➢	Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
	➢	Click "confirm" (Your password is now generated).
	2.	Click on 'Login' under 'SHARE HOLDER' tab.
	3.	Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
	4.	After successful login, you will be able to see the notification for e-Voting. Select 'View' icon.
	5.	E-Voting page will appear.
	6.	Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
	7.	After selecting the desired option i.e. Favour/Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.

b. Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-Voting system of Link Intime at https://instavote.linkintime.co.in and register themselves as 'Custodian/Mutual Fund/Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution/ authority letter/power of attorney etc., together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian/Mutual Fund/Corporate Body' login for the Scrutinizer to verify the same.

c. Individual Shareholders holding securities in Physical mode & evoting service Provider is LINKIN TIME, have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- Enter User ID, select Mode and enter Image verification (CAPTCHA) code and Click on 'Submit'.
- In case shareholder/member is having valid email address, Password will be sent to his/her registered e-mail address.
- Shareholders/members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc., as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter.

d. Individual Shareholders holding securities in demat mode with NSDL/CDSL have forgotten the password:

Shareholders/members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned depository/ depository participants website.

e. For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

f. During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".

g. **Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Helpdesk for Individual shareholders holding securities in physical mode/Institutional shareholders & e-Voting service provider is LINK INTIME.

In case shareholders/members holding securities in physical mode/Institutional shareholders have any queries regarding e-Voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at https://instavote.linkintime.co.in, under Help section or send an email to enotices@linkintime.co.in or instameet@linkintime.co.in or contact on: - Tel: 022 –4918 6000/022 - 4918 6175.

h. **General Guidelines for shareholders:**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail: nagendradrao@gmail.com with a copy marked to enotices@linkintime.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

i. **Instructions for members for e-Voting on the day of the AGM are as under:**

Once the electronic voting is activated by the scrutinizer/moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-Voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter your 16 digit Demat Account No./Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same, the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.

j. **Instructions for members for attending the AGM through VC/OAVM are as under:**

- Open the internet browser and launch the URL: https://instameet.linkintime.co.in
- Select the "Company" and 'Event Date' and register with your following details: -

i, Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No.

ii. Shareholders/members holding shares in physical form shall provide Folio Number registered with the Company.

iii. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/Company shall use the sequence number provided to you, if applicable).

iv. Mobile No.: Enter your mobile number.

v. Email ID: Enter your email id, as recorded with your DP/Company.

- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

k. Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:

1. Shareholders who would like to speak during the meeting must register their request from August 05, 2022 (9:00 a.m. IST) to August 07, 2022 (5:00 p.m. IST) by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at: investors@sobha.com

2. Shareholders will get confirmation on first cum first serve basis.

3. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.

4. Please start your conversation with panellist by switching on video mode and audio of your device.

5. Shareholders are requested to speak only when moderator of the meeting/management will announce the name for speaking. Members are encouraged to join the Meeting through Laptops for better experience.

l. Further, Members will be required to use Internet with a good speed to avoid any disturbance during the meeting.

m. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

n. All documents referred to in the accompanying Notice and Statement annexed thereto shall be open for inspection at the Registered Office of the Company during normal business hours on any working day till the date of the Annual General Meeting.

o. The Members can join the AGM in the VC/OAVM mode 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 2,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.

p. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

q. Shareholders/Members, who will be present in the Annual General Meeting through InstaMEET facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

DIVIDEND

1. The Register of Members and the Share Transfer Books of the Company shall remain closed on Saturday, July 30, 2022.

2. The dividend if approved by the Members at the Annual General Meeting will be deposited in a separate bank account within 5 days from the date of the Annual General Meeting and the same will be paid to the shareholders as per the provisions of the Companies Act, 2013, the Rules made thereunder and the Circulars issued from time to time.

INVESTOR CLAIMS

1. Members who have not yet encashed their dividend warrants for earlier years are requested to write to the Secretarial Department at the Registered and Corporate Office of the Company or send an e-mail to: investors@sobha.com to claim the dividend. Details of unclaimed dividend as on 31.03.2022 are available in the 'Investors Section' of the website of the Company www.sobha.com. During the financial year 2022-23, the Company will be required to transfer to the Investor Education and Protection Fund, the dividend

declared at the Annual General Meeting of the Company held on July 15, 2015 and which is lying unclaimed with the Company for a period of seven years from the date of transfer to the Unpaid Dividend Account.

2. Allottees who have not yet claimed the equity shares allotted to them during the Initial Public Offer (IPO) of the Company are requested to make their claim to the Secretarial Department at the Registered and Corporate Office of the Company or send an e-mail to investors@sobha.com. Details of unclaimed equity shares are available in the 'investors section' of the website of the Company: www.sobha.com.

INVESTOR SERVICING

1. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, M/s. Link Intime India Pvt. Ltd for assistance in this regard.

2. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.

3. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to Sobha Limited/Registrar and Transfer Agents, M/s. Link Intime India Pvt. Ltd in case the shares are held by them in physical form.

4. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Sobha Limited in case the shares are held in physical form.

5. All Investor Queries/Complaints/Grievances may be addressed to the Secretarial Department at the Registered and Corporate Office of the Company or by sending an e-mail to investors@sobha.com. Members can also write to M/s. Link Intime India Private Limited, the Registrar and Share Transfer Agents of the Company, having their office at 247, LBS Marg, Vikhroli (West), Mumbai - 400083 or send an e-mail to rnt.helpdesk@linkintime.co.in.

OTHERS

1. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website www.sobha.com websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. If any member wish to receive the Annual Report and Notice of AGM in physical mode, such member may write to the Company for the same.

2. Members attending the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.

3. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates.

   A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to rnt.helpdesk@linkintime.co.in or upload on https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html on or before Monday, 25th July, 2022. The forms for tax exemption can be downloaded from Link Intime's website under the 'General' tab. The URL for the same is: https://www.linkintime.co.in/client-downloads.html Further, no tax shall be deducted on the dividend payable to a resident individual shareholders if the total amount of dividend to be received from the Company during the Financial Year 2021-22 does not exceed

₹5,000. Shareholders may note that in case PAN is not updated with the Depository Participant/Registrar of the Company, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial tax rates under Double Tax Avoidance Agreement [DTAA] i.e. tax treaty between India and their country of residence. Non-resident shareholders are required to provide details on applicability of beneficial tax rates and provide following documents:

- Copy of PAN card, if any, allotted by Indian Income Tax Authorities duly self attested by the member.
- Copy of Tax Residency Certificate [TRC] for the FY 2021-22 obtained from the revenue authorities of country of tax residence duly attested by the member.
- Self Declaration in Form 10-F.
- No-PE [permanent establishment] certificate.
- Self Declaration of beneficial ownership by the non-resident shareholder.
- Lower withholding Tax certificate, if any, obtained from the Indian Tax Authorities.

The members/shareholders are required to provide above documents/declarations by sending an email to rnt.helpdesk@linkintime.co.in on or before Monday, July 25, 2022. The aforesaid documents are subject to verification by the Company and in case of ambiguity, the Company reserves its right to deduct the TDS as per the rates mentioned in the Income Tax Act, 1961.

4. Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 directs listed companies to send soft copies of the Annual Report to those shareholders who have registered their e-mail addresses. Sections 101 and 136 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and Companies (Accounts) Rules, 2014 permit prescribed companies to send a notice and financial statements through electronic mode. In view of the same, shareholders are requested to update their email IDs with their Depository Participants, where shares are held in dematerialised mode and where the shares are held in physical form, to update the same in the records of the Company in order to facilitate electronic servicing of annual reports and other documents.

EXPLANATORY STATEMENT ANNEXED TO NOTICE

[PURSUANT TO PROVISIONS OF SECTION 102(1) OF THE COMPANIES ACT, 2013]

Item No. 4

M/s. B S R & Co. LLP Chartered Accountants (Firm Registration No. 101248W/W-100022), have completed their term of five (5) years as Statutory Auditors. The Board of Directors has recommended the appointment of M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Firm Registration No. 001076N/N500013), as Statutory Auditors of the Company for a period of five (5) consecutive years, from the conclusion of 27th Annual General Meeting (AGM) until the conclusion of the 32nd AGM, subject to approval of the Shareholders.

M/s. Walker Chandiok & Co. LLP, Chartered Accountants, have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under Section 141(3)(g) of the Companies Act, 2013 (the Act). They have further confirmed that they are not disqualified to be appointed as Statutory Auditors in terms of the provisions of the proviso to Section 139(1), Section 141(2) and Section 141(3) of the Act and the provisions of the Companies (Audit and Auditors) Rules, 2014.

The details required to be disclosed under provisions of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are as under:

A. **Proposed fees payable to the statutory auditor(s):** ₹11.00 million annually plus applicable taxes and reimbursement of travelling and other out-of-pocket expenses actually incurred by them in connection with the audit of accounts of the Company, which is subject to revision from time to time.

B. **Terms of appointment:** Appointment as Statutory Auditors of the Company from conclusion of 27th AGM up to conclusion of 32nd AGM to carry out Audit of the Financial Statements, Annual Financial Results of the Company and Limited Review of the Unaudited Quarterly Financial Results of the Company. All other terms of appointment shall be as per Letter of Engagement.

C. **In case of a new auditor, any material change in the fees payable to such auditor from that paid**

to the outgoing auditor along with the rationale for such change: The proposed remuneration payable to the incoming auditors is finalised after discussion with the incoming auditors.

D. **Basis of recommendation for appointment:** The Audit Committee and Board of Directors have considered various criteria with respect to skillset, governance & competitiveness and recommended their appointment to the Shareholders of the Company.

E. M/s. Walker Chandiok & Co. LLP, Chartered Accountants (Firm registration No. 001076N/N500013), is one of the largest and oldest Indian firm having 85 years of experience in providing audit, tax and advisory services. The audit firm is a Limited Liability Partnership Firm ("LLP") incorporated in India. Total number of staff and partners are more than 1888. Firm has offices at Bengaluru, Chandigarh, Chennai, Delhi, Gurgaon, Hyderabad, Kolkata, Mumbai, Noida, Pune, Kochi and Dehradun. M/s. Walker Chandiok & Co. LLP, have provided confirmation that they have subjected themselves to peer review process of the Institute of Chartered Accountants of India (ICAI) and hold a valid certificate issued by the 'Peer Review Board of ICAI'.

None of the Directors or Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this Resolution except to the extent of their shareholding in the Company.

The Board of Directors recommends the Ordinary Resolution set out in Item No. 4 for approval by the Members.

Item No. 5

In terms of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 as may be amended from time to time, the Company is required to get its cost records audited.

The Board of Directors, based on the recommendation of the Audit Committee, have appointed M/s. Srinivas and Co, Cost Accountants (Firm Registration No: 000278), as the Cost Auditors of the Company for the financial year 2021-22. Further, the Board of Directors, on the recommendations of the Audit Committee, have approved the payment of remuneration not exceeding ₹185,000 (Rupees one lakh and eighty-five thousand only) plus out of pocket expenses and taxes as may be applicable from time to time to the Cost Auditors for undertaking the cost audit of the Company for the financial year 2021-22.

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the members is sought for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2022.

None of the Directors or Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise in this Resolution except to the extent of their shareholding in the Company.

The Board of Directors recommends the Ordinary Resolution set out in Item No. 5 for approval by the Members.

Item No. 6:

The Company in order to execute various projects, both residential and contractual, has to borrow money from banks and other financial institutions as a means of finance. The Company has currently availed project-specific or general purpose borrowings from various banks and financial institutions to finance the execution of the projects of the Company.

The Board of Directors envisages a continued need for the funding requirements of the Company to be met through various components, i.e. equity, project loans, general purpose corporate loans, borrowings from financial institutions, debentures etc. A mix of these instruments will result in optimum utilisation of funds at an optimum cost and help meet the various business requirements of the Company. The Board is therefore, contemplating the feasibility of borrowing money through further issue of Non-Convertible Debentures.

In terms of Rule 14 of The Companies (Prospectus and Allotment of Securities) Rules, 2014, the issue of Non-Convertible Debentures on a private placement basis requires previous approval of the members of the Company by way of a Special Resolution and such an approval shall be valid for all the offers or invitation for such Debentures during the year.

Accordingly, approval of the members is being sought to enable the Board of Directors to offer or invite subscriptions for non-convertible debentures aggregating up to ₹700,00,00,000 (Rupees Seven hundred crore only) as may be required and such approval shall be valid for a year.

None of the Directors or the Key Managerial Personnel or their relatives are in any way interested or concerned, financially or otherwise, in this Resolution except to the extent of their shareholding in the Company.

The Board recommends the Special Resolution set-out in Item 6 of the Notice for approval by the members.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION AT THE ANNUAL GENERAL MEETING PURSUANT TO SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS), REGULATIONS 2015 AND SECRETARIAL STANDARDS ON GENERAL MEETINGS:

Name of Director	**Mr. Ravi PNC Menon**
Age	41 Years
Date of First Appointment	June 08, 2004
Qualifications	Bachelor of Science in Civil Engineering from Purdue University, USA.
No. of Board Meetings attended during the financial year 2021-22	7
Experience	18 years in the Company.
Expertise in specific functional areas	Mr. Ravi PNC Menon oversees the overall management and functioning of the Company. His responsibilities in the Company encompass product delivery, project execution, technology advancements, quality control and enhancement, process and information technology and customer satisfaction. He supervises the performance of various departments in the organisation such as Project Management, Design and Engineering, Sales & Marketing, Quality Safety & Technology, Purchase, Estimation, Cost Audit, Value Engineering, Landscaping, Human Resources etc. Mr. Menon specifically aims at scaling the delivery levels of the Company, adhering to quality standards, launching new product lines and strengthening the customer relationship management function.
Details of remuneration	Remuneration paid and payable is in accordance with the approval of shareholders granted vide special resolution passed in the Annual General Meeting held on 13th August, 2021. The remuneration paid for the financial year 2021-22 is disclosed in the Corporate Governance Report that forms part of the Annual Report.
Directorship and membership of Committees of the Board held in other listed companies	None
Directorships held in other public limited companies	Sobha Assets Private Limited & Sobha Highrise Ventures Private Limited. [Subsidiaries of Sobha Limited, a public company]
Relationship with other Directors and Key Managerial Personnel	None.
Number of shares held as on 20th May, 2022	31,85,930 equity shares of ₹10 each. 461,21,763 equity shares of ₹10 each held by relatives.
Terms and conditions of appointment	The terms and conditions of appointment shall be governed by the approval of shareholders as set out in the Notice of the Annual General Meeting.

GLOSSARY

ADR	American Depository Receipts
BBS	Bar Bending Schedule
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Corporate Identification Number
CPD	Concretes Product Division
CREDAI	Confederation of Real Estate Developers Association of India
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
Demat	Dematerialised Account
DG	Diesel Generator
DIN	Director Identification Number
EBITDA	Earnings before Interest, Depreciation and Amortisation
ECS	Electronic Clearing System
EHS	Environment, Healt & Safety
EPS	Earnings Per Share
ERP	Enterprise Resource Planning
EVEN	E-Voting Event Number
FII	Foreign Institutional Investors
FSI	Floor Space Index
GDP	Gross Domestic Product
GDR	Global Depository Receipts
HUF	Hindu Undivided Family
HVAC	Heating, Ventilating and Air Conditioning
ICRA	ICRA Limited [Formerly Investment Information and Credit Rating Agency of India Limited]
IEPF	Investor Education and Protection Fund
IPO	Initial Public Offer
ISIN	International Securities Identification Number
ISO	International Organization for Standardization
IT / ITES	Information Technology / Information Technology Enabled Services
JD / JV	Joint Development / Joint Venure
KMP	Key Managerial Personnel
LED	Light-emitting diode
Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
MCA	Ministry of Corporate Affairs, New Delhi
MD&A	Management Discussion & Analysis
MEP	Mechanical, Electrical and Plumbing
NCR	National Capital Region
NEAPS	NSE Electronic Application Processing System
NECS	National Electronic Clearing System
NEFT	National Electronic Fund Transfer
NRI	Non Resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OHSAS	Occupational Health Safety Assessment Series
PAT	Profit after Tax
PBDIT	Profit before Depreciation, Interest and Tax
PBIT	Profit before Interest and Tax
PBT	Profit before Tax
PV Cells	Photovoltaic Cells
QST	Quality, Safety and Technology
R&D	Research and Development
R&T Agents	Registrar and Share Transfer Agents
RBI	Reserve Bank of India
RERA	Real Estate (Regulation and Development) Act, 2016
ROCE	Return on Capital Employed
ROE	Return on Equity
RTGS	Real Time Gross Settlement
SBA	Super Built-up Area
SCORES	SEBI Complaint Redress System
SEBI	Securities and Exchange Board of India
VFD	Variable Frequency Drive
WTD	Whole-time Director
Y-O-Y	Year-on-Year

FISCAL 2022 HIGHLIGHTS

Q1 - 2022

- Revenues of ₹5,250 million with a PBT of ₹126 million and PAT of ₹113 million.
- Collections of ₹7,179 million.
- Average cost of debt as end of Q1-22 stood at 8.98%.
- Sold 0.90 million square feet of area total valued at ₹6,829 million (Sobha Share value of ₹5,709 million).
- Completed 0.47 million square feet of Real Estate projects and 0.41 million square feet of Contractual projects, totalling 0.88 million square feet of developable area during Q1-21.

Q2 - 2022

- Revenues of ₹8,323 million with a PBT of ₹649 million and PAT of ₹455 million.
- Collections of ₹9,144 million.
- Average cost of debt as end of Q2-22 stood at 8.85%.
- Sold 1.35 million square feet of area, total valued at ₹10,302 million (Sobha Share of ₹8,542 million).
- Launched a new luxury project, SOBHA Manhattan in Bangalore with total Residential SBA of 875,242 square feet.
- Launched a new luxury project, SOBHA Sobha Arbor in Chennai with total Residential SBA of 286,689 square feet.
- Completed 1.02 million square feet of Real Estate projects and 0.04 million square feet of Contractual projects, totalling 1.06 million square feet of developable area during Q2-21.

Q3 - 2022

- Revenues of ₹6,976 million with a PBT of ₹442 million and PAT of ₹332 million.
- Collections of ₹10,589 million.
- Average cost of debt as end of Q3-22 stood at 8.65%.
- Sold 1.32 million square feet of area, total valued at ₹10,475 million (Sobha Share of ₹9,082 million).
- Launched a new luxury project, SOBHA Avalon in Gift City with total Residential SBA of 329,550 square feet.
- Completed 0.59 million square feet of Real Estate projects and 0.62 million square feet of Contractual projects, totalling 1.21 million square feet of developable area during Q3-21.

Q4 - 2022

- Revenues of ₹7,667 million with a PBT of ₹365 million and PAT of ₹260 million.
- Collections of ₹12,910 million.
- Average cost of debt as end of Q4-21 stood at 8.40%.
- Sold 1.34 million square feet of area total valued at ₹11,096 million (Sobha Share of ₹9,352 million).
- Completed 1.51 million square feet of Real Estate projects and 2.64 million square feet of Contractual projects, totalling 4.15 million square feet of developable area during Q4-21.
- Launched SOBHA Brooklyn Towers-Town Park Wing 3 Tower 5 in Bangalore with a total developable area of 197,036 square feet.

3 YEARS FINANCIAL HIGHLIGHTS (CONSOLIDATED FINANCIALS)

(₹ in million)

Particulars	2021-22	2020-21	2019-20
Financial Performance			
Total Income	**28,215.75**	**21,904.00**	**38,256.59**
Profit before depreciation interest and tax (PBDIT)	5,200.66	4,907.35	8,312.66
Depreciation	721.09	793.67	722.85
Profit before interest and tax (PBIT)	4,479.57	4,113.68	7,589.81
Interest	2,897.55	3,361.83	3,258.26
Profit before tax (PBT)	1,582.02	751.85	4,331.55
Profit after tax (PAT)	1,159.82	629.26	2,821.30
Dividend			
Equity (paid/proposed)	284.54	331.96	663.92
Rate of dividend	30%	35%	70%
Financial position			
Shareholder's funds	25,105.21	24,277.35	24,312.01
Borrowed fund	25,037.27	30,386.36	31,173.61
Total	**50,142.48**	**54,663.71**	**55,485.62**
Net fixed assets	8,171.64	9,034.34	9,194.73
Investments	1,148.91	1,142.70	1,142.69
Net current and non current assets	40,953.28	44,809.21	45,438.97
Deferred tax assets/(liability)	(131.35)	(322.54)	(290.77)
Total	**50,142.48**	**54,663.71**	**55,485.62**
Ratios			
EBIDTA Margin	18.43%	22.40%	21.73%
Pre-Tax Margin	6%	3%	11%
Post Tax Margin	4%	3%	7%
Interest coverage ratio	1.55	1.22	2.33
Net debt to EBIDTA (times)	4.44	5.76	3.64
Fixed assets to turnover ratio	29%	41%	24%
Debtors turnover ratio (Net Debtors)	-153%	-172%	-93%
Debtors turnover ratio (Gross Debtors)	25%	25%	10%
Return on Equity (ROE)	4%	2%	11%
Return on Capital Employed (ROCE)*	9%	8%	15%
Earnings per share(EPS)	12.32	6.57	29.69
Book Value	264.69	255.97	256.33
Debt/Equity Ratio	0.92	1.17	1.24
Price Earning Ratio	57.43	66.55	4.51
Price/book value	2.67	1.71	0.52

*EBIT/ Average capital employed.

Figures are regrouped wherever necessary.

www.sobharestoplus.com

SOBHA

SOBHA Restoplus®

SLEEP ENGINEERING AT WORK

The same zest for quality even while you sleep.

AVAIL EXCLUSIVE SHAREHOLDERS' SPECIAL OFFER ON
THE COMPLETE RANGE OF SOBHA RESTOPLUS MATTRESSES.

35% OFF

T 08027 839700 **M** 9880730400 **E** sobha.restoplus@sobha.com

TERMS & CONDITIONS

MATTRESS & ACCESSORIES VALUE WILL BE CONSIDERED ON CURRENT MRP | NO CASH EXCHANGE WILL BE CONSIDERED
ANY DISCREPANCIES WILL COME UNDER BANGALORE JURISDICTION ONLY | MATTRESSES WILL BE HOME DELIVERED ANYWHERE IN INDIA

OFFER VALID TILL 31ST DECEMBER, 2022.