



Date: May 29, 2023

To  
The Deputy Manager  
Department of Corporate Services  
BSE Limited  
PJ Towers, Dalal Street  
Mumbai – 400 001  
Scrip Code: 532784

To  
The Manager  
The 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: Outcome of Board Meeting held on May 29, 2023**

A. This is to inform that the Board of the Directors of the Company, at the meeting held today, i.e. Monday, May 29, 2023, has inter alia transacted the following items of business:

1. Approved the Audited Financial Statements (Standalone and Consolidated) for the financial year 2022-23 and Audited Financial Results for the quarter and financial year ended March 31, 2023, as recommended by the Audit Committee.
2. Recommended a dividend of Rs. 3.00/- (30%) per equity share for the financial year ended March 31, 2023, subject to the approval of the members.
3. Approved the convening of Twenty-Eight Annual General Meeting of the Company on Tuesday, August 8, 2023.

B. In this connection, please find enclosed herewith the Audited Financial Results (Standalone and Consolidated) for the quarter and financial year ended March 31, 2023, along with the Statutory Audit Report.

C. Pursuant to Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended, we hereby declare that the Auditors of the Company have issued their reports with unmodified (i.e., unqualified) opinion on the Financial Statements (Standalone & Consolidated) for the year ended March 31, 2023.

The Board Meeting commenced at 02:30 PM and concluded at 04:31 P.M.

**SOBHA LIMITED**

SOBHA

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

Yours sincerely,

**FOR SOBHA LIMITED**



**VIGNESHWAR G BHAT**  
**COMPANY SECRETARY AND COMPLIANCE OFFICER**  
**MEMBERSHIP NO.: 16651**

# Walker Chandiook & Co LLP

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## Independent Auditor's Report on Consolidated Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

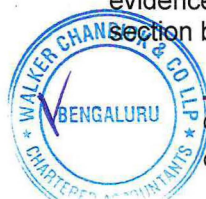
To the Board of Directors of Sobha Limited

### Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of Sobha Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), its associate and joint venture for the year ended 31 March 2023, attached herewith, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. 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 audited financial statements of the subsidiaries, as referred to in paragraph 15 below, the Statement:
  - (i) includes the annual financial results of the entities listed in Annexure 1;
  - (ii) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
  - (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group, its associate and joint venture, for the year ended 31 March 2023.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Group, its associate and joint venture, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results 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 obtained by us together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 15 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurugram, Hyderabad, Kochi, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

## Emphasis of Matters

4. We draw attention to Note 9 to the accompanying Statement, 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, 1975 (HDRUAA).

In respect of this transaction, the Enforcement Directorate ('ED') after due investigation has filed a complaint with Adjudicating Authority, Prevention of Money Laundering ('AA-PML'), alleging certain irregularities in 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 HDRUAA regulations and also non-payment of concerned charges pursuant to the change in beneficial interest, resulting in provisional attachment under the Prevention of Money Laundering Act, 2002 ('PMLA') of land parcels with value of ₹ 2,016 million held by Technobuild Developers Private Limited (TDPL) over which the Holding Company has absolute rights through a Memorandum of Understanding entered with TDPL as explained in the said note.

During the current quarter, the Holding Company is in receipt of a Show Cause Notice (SCN) under the PMLA from AA-PML and the Holding Company has duly filed detailed response to the allegations made in SCN and the Holding Company is yet to receive the response from AA-PML. The management, 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. Pending outcome of the ongoing regulatory proceedings including the duration of such proceedings and recoverability of land advance given against such provisionally attached ₹ 2,016 million land parcels is presently uncertain.

Our opinion is not modified in respect of this matter.

5. We draw attention to Note 14 to the accompanying Statement, which describes the restatements made to the comparative financial information for the quarter ended 31 March 2022, as at and for the year ended 31 March 2022 and as at 1 April 2021, in accordance with the principles of Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, for correction of certain identified material prior period errors, which are further described in the aforesaid note.

Our opinion is not modified in respect of this matter.

6. We draw attention to Note 13 to the accompanying Statement, regarding the search operation carried out by the Income Tax Department at various business premises of the Holding Company and certain other group companies during March 2023. As the Holding Company and certain other group companies have not received any communication on the findings of the investigation by the Income Tax department till date, the impact of this matter on the consolidated financial results for the year ended 31 March 2023 and the adjustments (if any) required to the accompanying Statement, is presently not ascertainable.

Our opinion is not modified in respect of this matter.



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## Responsibilities of Management and Those Charged with Governance for the Statement

7. The Statement, which is the responsibility of the Holding Company's management and has been approved by the Holding Company's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Holding Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit or loss and other comprehensive income, and other financial information of the Group including its associate and joint venture in accordance with the Ind AS prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, in terms of the provisions of the Act, the respective Board of Directors/ management of the companies included in the Group and its associate and joint venture, covered under the Act, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding of the assets of the Group, and its associate and joint venture, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively, for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Directors of the Holding Company, as aforesaid.
8. In preparing the Statement, the respective Board of Directors/ management of the companies included in the Group and of its associate and joint venture, are responsible for assessing the ability of the Group and of its associate and joint venture, 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/ management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
9. The respective Board of Directors/ management of the companies included in the Group and of its associate and joint venture, are responsible for overseeing the financial reporting process of the companies included in the Group and of its associate and joint venture.

## Auditor's Responsibilities for the Audit of the Statement

10. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing specified under section 143(10) of the Act 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 this Statement.
11. As part of an audit in accordance with the Standards on Auditing specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Statement, 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 Holding 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 made by the Board of Directors.



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- Conclude on the appropriateness of 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 ability of the Group and its associate and joint venture, 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 Statement 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 its associate and joint venture to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of the entities within the Group, and its associate and joint venture, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, which have been audited by the 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.
12. We communicate with those charged with governance of the Holding Company 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.
13. 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.
14. We also performed procedures in accordance with SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019, issued by the SEBI under Regulation 33 (8) of the Listing Regulations, to the extent applicable.

## Other Matters

15. We did not audit the annual financial statements of 18 subsidiaries included in the Statement, whose financial information reflects total assets of ₹ 10,140 million as at 31 March 2023, total revenues of ₹ 1,047 million, total net profit after tax of ₹ 181 million total comprehensive income of ₹ 195 million, and cash flows (net) of ₹ 26 million for the year ended on that date, as considered in the Statement. These annual financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors, and the procedures performed by us as stated in paragraph 14 above.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

16. The Statement also includes the Group's share of net profit after tax of ₹ Nil, and total comprehensive income of ₹ Nil for the year ended 31 March 2023, in respect of 1 associate and 1 joint venture, based on their annual financial information, which have not been audited by their auditors. These financial information have been furnished to us by the Holding Company's management. Our opinion, in so far as it relates to the amounts and disclosures included in respect of aforesaid associate and joint ventures, is based solely on such unaudited financial information. In our opinion, and according to the information and explanations given to us by the management, these financial information are not material to the Group.

Our opinion is not modified in respect of this with respect to our reliance on the financial information results certified by the Board of Directors.



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17. The Statement includes the consolidated financial results for the quarter ended 31 March 2023, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.
18. The audit of consolidated financial results for the corresponding quarter and year ended 31 March 2023 included in the Statement was carried out and reported by B S R & Co. LLP who have expressed unmodified opinion vide their audit report dated 20 May 2022, whose reports have been furnished to us and which have been relied upon by us for the purpose of our audit of the Statement.

Our opinion is not modified in respect of this matter.

**For Walker ChandioK & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013



**Manish Agrawal**

Partner

Membership No. 507000

UDIN: 23507000BGYESM8673



Bengaluru

29 May 2023

# Walker ChandioK & Co LLP

## Annexure 1

### List of entities included in the Statement (in addition to the Holding Company)

| S. No. | Name of the Company/Entity                   | Relationship          |
|--------|--|-----------------------|
| 1      | Sobha City                                   | Subsidiary            |
| 2      | Sobha Highrise Ventures Private Limited      | Subsidiary            |
| 3      | Sobha Developers (Pune) Limited              | Subsidiary            |
| 4      | Sobha Assets Private Limited                 | Subsidiary            |
| 5      | <del>Sobha Tambaram Developers Limited</del> | <del>Subsidiary</del> |
| 6      | Sobha Nandambakkam Developers Limited        | Subsidiary            |
| 7      | Sobha Construction Products Private Limited  | Subsidiary            |
| 8      | Vayaloor Properties Private Limited          | Step-down subsidiary  |
| 9      | Vayaloor Builders Private Limited            | Step-down subsidiary  |
| 10     | Vayaloor Developers Private Limited          | Step-down subsidiary  |
| 11     | Vayaloor Real Estate Private Limited         | Step-down subsidiary  |
| 12     | Vayaloor Realtors Private Limited            | Step-down subsidiary  |
| 13     | Valasai Vettikadu Realtors Private Limited   | Step-down subsidiary  |
| 14     | Sobha Contracting Private Limited            | Step-down subsidiary  |
| 15     | Kilai Builders Private Limited               | Step-down subsidiary  |
| 16     | Kuthavakkam Builders Private Limited         | Step-down subsidiary  |
| 17     | Kuthavakkam Realtors Private Limited         | Step-down subsidiary  |
| 18     | Sobha Interiors Private Limited              | Step-down subsidiary  |
| 19     | Kondhwa Projects LLP                         | Joint Venture         |
| 20     | CVS Tech Park Private Limited                | Associate             |



**SOBHA LIMITED**

**Corporate Identity Number (CIN) : L45201KA1995PLC018475**

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**Statement of consolidated audited financial results for the quarter and year ended 31 March 2023**

(₹ in million)

|    | Particulars   | 3 months ended<br>31.03.2023<br>[Refer note 4] | Preceding 3<br>months ended<br>31.12.2022<br>[Unaudited] | Corresponding 3<br>months ended<br>31.03.2022 (*)<br>[Refer note 4] | Year ended<br>31.03.2023<br>[Audited] | Year ended<br>31.03.2022(*)<br>[Audited] |
|----|---|--|--|---|---------------------------------------|--|
| 1  | <b>Income</b>   |  |  |   |                                       |  |
|    | (a) Revenue from operations   | 12,099   | 8,682  | 7,103   | 33,101                                | 25,613                                   |
|    | (b) Other income  | 302  | 296  | 334   | 923                                   | 840                                      |
|    | <b>Total income</b>   | <b>12,401</b>                                  | <b>8,980</b>   | <b>7,437</b>  | <b>34,024</b>                         | <b>26,453</b>                            |
| 2  | <b>Expenses</b>   |  |  |   |                                       |  |
|    | (a) Land purchase cost  | 4,464  | 5,318  | 1,273   | 10,528                                | 2,072                                    |
|    | (b) Cost of materials consumed  | 1,129  | 974  | 699   | 3,660                                 | 1,982                                    |
|    | (c) Purchase of project materials   | 3,454  | 2,210  | 1,430   | 9,555                                 | 5,195                                    |
|    | (d) Changes in purchase of project materials, land stock, work in progress and finished goods | (2,689)  | (5,195)  | (824)   | (11,013)                              | (1,533)                                  |
|    | (e) Sub-contractor cost   | 2,052  | 2,404  | 1,917   | 8,292                                 | 6,413                                    |
|    | (f) Employee benefits expense   | 791  | 745  | 652   | 2,945                                 | 2,512                                    |
|    | (g) Finance costs   | 611  | 660  | 683   | 2,490                                 | 3,083                                    |
|    | (h) Depreciation and amortisation expense   | 178  | 175  | 179   | 678                                   | 719                                      |
|    | (i) Other expenses  | 1,742  | 1,338  | 1,180   | 5,440                                 | 3,644                                    |
|    | <b>Total expenses</b>   | <b>11,732</b>                                  | <b>8,629</b>   | <b>7,189</b>  | <b>32,575</b>                         | <b>24,087</b>                            |
| 3  | <b>Profit before tax and share of profit/(loss) in associate/joint venture (1-2)</b>          | <b>669</b>                                     | <b>351</b>   | <b>248</b>  | <b>1,449</b>                          | <b>2,366</b>                             |
| 4  | Share of profit / (loss) in associate / joint venture   | -  | -  | -   | -                                     | -  |
| 5  | <b>Profit before tax (3+4)</b>  | <b>669</b>                                     | <b>351</b>   | <b>248</b>  | <b>1,449</b>                          | <b>2,366</b>                             |
| 6  | <b>Tax expense</b>  |  |  |   |                                       |  |
|    | (a) Current tax   | 236  | 43   | 107   | 374                                   | 611                                      |
|    | (b) Deferred tax (credit) / charge  | (53)   | (10)   | (1)   | 33                                    | 23                                       |
|    | <b>Total tax expense</b>  | <b>183</b>                                     | <b>33</b>  | <b>106</b>  | <b>407</b>                            | <b>634</b>                               |
| 7  | <b>Profit for the period/year (5-6)</b>   | <b>486</b>                                     | <b>318</b>   | <b>142</b>  | <b>1,042</b>                          | <b>1,732</b>                             |
| 8  | <b>Other comprehensive income</b>   |  |  |   |                                       |  |
|    | Items that will not be reclassified to profit or loss in subsequent periods:                  |  |  |   |                                       |  |
|    | Re-measurement (losses) / gains on defined benefit plan^^                                     | (20)   | 0  | 12  | (53)                                  | (12)                                     |
|    | Deferred tax credit / (charge)^^  | 5  | 0  | (3)   | 13                                    | 3  |
|    | <b>Total other comprehensive income/(loss), net of tax</b>                                    | <b>(15)</b>                                    | <b>0</b>   | <b>9</b>  | <b>(40)</b>                           | <b>(9)</b>                               |
| 9  | <b>Total comprehensive income for the period / year (7+8)</b>                                 | <b>471</b>                                     | <b>318</b>   | <b>151</b>  | <b>1,002</b>                          | <b>1,723</b>                             |
|    | <b>Profit attributable to:</b>  |  |  |   |                                       |  |
|    | Owners  | 486  | 318  | 142   | 1,042                                 | 1,732                                    |
|    | Non-controlling interests   | -  | -  | -   | -                                     | -  |
|    | <b>Other comprehensive income attributable to:</b>  |  |  |   |                                       |  |
|    | Owners ^^   | (15)   | 0  | 9   | (40)                                  | (9)                                      |
|    | Non-controlling interests   | -  | -  | -   | -                                     | -  |
|    | <b>Total comprehensive income attributable to:</b>  |  |  |   |                                       |  |
|    | Owners  | <b>471</b>                                     | <b>318</b>   | <b>151</b>  | <b>1,002</b>                          | <b>1,723</b>                             |
|    | Non-controlling interests   | -  | -  | -   | -                                     | -  |
| 10 | Paid-up equity share capital<br>(Face value per share - ₹ 10)                                 | 948  | 948  | 948   | 948                                   | 948                                      |
| 11 | Other equity  |  |  |   | 23,999                                | 23,281                                   |
| 12 | Earnings per share (EPS) - (in ₹)   |  |  |   |                                       |  |
|    | Basic and diluted EPS (not annualised for the quarters)                                       | 5.13   | 3.35   | 1.50  | 10.99                                 | 18.27                                    |

(\*) refer note 11

(^^) certain amounts that are required to be disclosed and do not appear due to rounding off are disclosed as '0'



**Corporate Identity Number (CIN) : L45201KA1995PLC018475**

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Ph: +91-80-49320000 Fax: +91-80-49320444 Email: investors@sobha.com  
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**Statement of consolidated audited financial results for the quarter and year ended 31 March 2023**

**Notes:**

(1) The Consolidated Balance Sheet is as below:

|          |  | (₹ in million)                |                                       |  |
|----------|--|-------------------------------|---------------------------------------|--|
|          | Particulars  | As at 31.03.2023<br>[Audited] | As at 31.03.2022<br>(* )<br>[Audited] | As at<br>1 April 2021(* )<br>[Audited] |
| <b>A</b> | <b>Assets</b>  |                               |                                       |  |
| <b>1</b> | <b>Non- current assets</b>   |                               |                                       |  |
|          | Property, plant and equipment  | 4,130                         | 4,111                                 | 4,488                                  |
|          | Investment property  | 4,519                         | 3,962                                 | 3,956                                  |
|          | Investment property under construction   | 68                            | 65                                    | 701                                    |
|          | Intangible assets  | 174                           | 227                                   | 232                                    |
|          | Intangible asset under development   | 18                            | -                                     | -                                      |
|          | Right of use assets  | 103                           | 153                                   | 189                                    |
|          | Investments accounted for using the equity method  | 1,149                         | 1,149                                 | 1,143                                  |
|          | Financial assets   |                               |                                       |  |
|          | (i) Trade receivables  | 795                           | 655                                   | 521                                    |
|          | (ii) Other financial assets  | 383                           | 1,293                                 | 1,267                                  |
|          | Tax assets (net)   | 217                           | 116                                   | 97                                     |
|          | Deferred tax assets (net)  | 97                            | 130                                   | 152                                    |
|          | Other assets   | 9,298                         | 3,702                                 | 4,543                                  |
|          |  | <b>20,951</b>                 | <b>15,563</b>                         | <b>12,289</b>                          |
| <b>2</b> | <b>Current assets</b>  |                               |                                       |  |
|          | Inventories  | 87,610                        | 76,516                                | 74,984                                 |
|          | Financial assets   |                               |                                       |  |
|          | (i) Trade receivables  | 1,580                         | 3,505                                 | 1,937                                  |
|          | (ii) Cash and cash equivalents   | 2,794                         | 1,391                                 | 1,637                                  |
|          | (iii) Bank balance other than (ii) above   | 1,720                         | 392                                   | 404                                    |
|          | (iv) Loans   | 9                             | 11                                    | -                                      |
|          | (v) Other financial assets   | 4,712                         | 4,893                                 | 5,802                                  |
|          | Other assets   | 6,381                         | 12,911                                | 12,969                                 |
|          |  | <b>104,806</b>                | <b>99,619</b>                         | <b>97,733</b>                          |
|          | <b>Total assets</b>  | <b>125,757</b>                | <b>115,182</b>                        | <b>115,022</b>                         |
| <b>B</b> | <b>Equity and liabilities</b>  |                               |                                       |  |
| <b>1</b> | <b>Equity</b>  |                               |                                       |  |
|          | Equity share capital   | 948                           | 948                                   | 948                                    |
|          | Other equity   | 23,999                        | 23,281                                | 21,890                                 |
|          | <b>Equity attributable to owners of the Holding Company</b>                                | <b>24,947</b>                 | <b>24,229</b>                         | <b>22,838</b>                          |
|          | Non - controlling interest   | -                             | -                                     | -                                      |
|          | <b>Total equity</b>  | <b>24,947</b>                 | <b>24,229</b>                         | <b>22,838</b>                          |
| <b>2</b> | <b>Non-current liabilities</b>   |                               |                                       |  |
|          | Financial liabilities  |                               |                                       |  |
|          | (i) Borrowings   | 6,135                         | 3,648                                 | 3,504                                  |
|          | (ii) Lease liabilities   | 205                           | 203                                   | 218                                    |
|          | Provisions   | 229                           | 175                                   | 151                                    |
|          |  | <b>6,569</b>                  | <b>4,026</b>                          | <b>3,873</b>                           |
| <b>3</b> | <b>Current liabilities</b>   |                               |                                       |  |
|          | Financial liabilities  |                               |                                       |  |
|          | (i) Borrowings   | 13,901                        | 21,389                                | 26,816                                 |
|          | (ii) Lease liabilities   | 28                            | 51                                    | 61                                     |
|          | (iii) Trade payables   |                               |                                       |  |
|          | (A) Total outstanding dues of micro enterprises and small enterprises; and                 | -                             | -                                     | -                                      |
|          | (B) Total outstanding dues of creditors other than micro enterprises and small enterprises | 5,987                         | 4,470                                 | 4,987                                  |
|          | (iv) Other financial liabilities   | 8,970                         | 7,457                                 | 7,579                                  |
|          | Other liabilities  | 65,152                        | 53,202                                | 48,642                                 |
|          | Provisions   | 203                           | 155                                   | 139                                    |
|          | Tax liabilities (net)  | -                             | 203                                   | 87                                     |
|          |  | <b>94,241</b>                 | <b>86,927</b>                         | <b>88,311</b>                          |
|          | <b>Total liabilities</b>   | <b>100,810</b>                | <b>90,953</b>                         | <b>92,184</b>                          |
|          | <b>Total equity and liabilities</b>  | <b>125,757</b>                | <b>115,182</b>                        | <b>115,022</b>                         |

(\*) refer note 11



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**SOBHA LIMITED**  
Corporate Identity Number (CIN) : L45201KA1995PLC018475

Regd. Office: 'SOBHA', Sarjapur – Marathahalli Outer Ring Road (ORR), Devarabisanahalli, Bellandur Post, Bengaluru- 560 103  
Ph: +91-80-49320000 Fax: +91-80-49320444 Email: investors@sobha.com  
Website: www.sobha.com

**Statement of consolidated audited financial results for the quarter and year ended 31 March 2023**

(2) The consolidated statement of cash flows is as below:

| Particulars   | (₹ in million)                        |  |
|---|---------------------------------------|--|
|   | Year ended<br>31.03.2023<br>[Audited] | Year ended<br>31.03.2022(*)<br>[Audited] |
| <b>A. Cash flows from operating activities</b>  |                                       |  |
| Profit before tax   | 1,449                                 | 2,366                                    |
| <b>Adjustments to reconcile profit before tax to net cash flows from operating activities</b> |                                       |  |
| Depreciation and amortization   | 678                                   | 719                                      |
| Gain on sale of property, plant and equipment and Investment property                         | (1)                                   | (354)                                    |
| Finance costs (including fair value change in financial instruments)                          | 2,490                                 | 3,083                                    |
| Finance income (including fair value change in financial instruments)                         | (244)                                 | (287)                                    |
| Impairment of property, plant and equipment   | 59                                    | -  |
| Allowance for credit loss   | 314                                   | 43                                       |
| Bad debts written off   | -                                     | 4  |
| Provision for land advances   | 168                                   | -  |
| Other advances written off  | 61                                    | -  |
| Liabilities written back  | (328)                                 | (6)                                      |
| <b>Operating profit before working capital changes</b>  | <b>4,546</b>                          | <b>5,568</b>                             |
| <b>Working capital adjustments</b>  |                                       |  |
| Changes in trade receivables  | 1,471                                 | (1,749)                                  |
| Changes in inventories  | (11,094)                              | (1,532)                                  |
| Changes in other current and non-current financial assets                                     | 1,098                                 | 1,781                                    |
| Changes in other current and non-current assets   | 767                                   | 1,152                                    |
| Changes in trade payables   | 1,845                                 | (517)                                    |
| Changes in provisions   | 102                                   | 39                                       |
| Changes in other current financial liabilities  | 1,513                                 | (121)                                    |
| Changes in other current liabilities  | 11,933                                | 4,659                                    |
| <b>Cash generated from operating activities</b>   | <b>12,181</b>                         | <b>8,780</b>                             |
| Income tax paid (net of refund)   | (679)                                 | (515)                                    |
| <b>Net cash flows from operating activities (A)</b>   | <b>11,502</b>                         | <b>8,265</b>                             |
| <b>B. Cash flow from investing activities</b>   |                                       |  |
| Purchase of property, plant and equipment, investment property and intangible assets          | (1,234)                               | (200)                                    |
| Proceeds from sale of property, plant and equipment and investment property                   | 68                                    | 661                                      |
| Investments in fixed deposits (net)   | (1,327)                               | (103)                                    |
| Investment in mutual funds  | -                                     | (6)                                      |
| Interest income   | 124                                   | 30                                       |
| <b>Net cash flows (used in)/from investing activities (B)</b>                                 | <b>(2,368)</b>                        | <b>382</b>                               |
| <b>C. Cash flow from financing activities</b>   |                                       |  |
| Repayments from current borrowings (net)  | (6,439)                               | (9,163)                                  |
| Proceeds from non-current borrowings  | 2,724                                 | 4,094                                    |
| Repayment of non-current borrowings   | (1,404)                               | (497)                                    |
| Repayment of lease liabilities  | (79)                                  | (79)                                     |
| Interest paid   | (2,247)                               | (2,916)                                  |
| Dividend paid on equity shares  | (285)                                 | (332)                                    |
| <b>Net cash flows used in financing activities (C)</b>  | <b>(7,730)</b>                        | <b>(8,893)</b>                           |
| Net increase/ (decrease) in cash and cash equivalents (A+B+C)                                 | 1,403                                 | (247)                                    |
| Cash and cash equivalents at the beginning of the year  | 1,391                                 | 1,637                                    |
| <b>Cash and cash equivalents at the end of the year</b>                                       | <b>2,794</b>                          | <b>1,391</b>                             |
| Less: Book overdraft from scheduled banks   | (1,026)                               | (290)                                    |
| <b>Net Cash and cash equivalents at the end of the year</b>                                   | <b>1,768</b>                          | <b>1,101</b>                             |

(\*) refer note 11

- (3) The Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) Statement of Cash Flow.
- (4) The consolidated, audited financial results of Sobha Limited ("the Holding Company") and its subsidiaries (the Holding Company, along with its subsidiaries referred to as "the Group") and its associate and joint venture for the quarter and year ended 31 March 2023 have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ("The Act") read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These consolidated audited financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 29 May 2023.

The figures for the quarter ended 31 March 2023 and 31 March 2022 are the balancing figures between the audited figures in respect of the full financial years and the published unaudited year to date figures upto third quarter of the respective financial years. Also the figures upto the end of the third quarter were only reviewed and not subject to audit.

- (5) The Statutory auditors of the Holding Company have carried out audit as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 of the above consolidated audited financial results for the year ended 31 March 2023 and have issued an unmodified audit report.
- (6) The quarter and year ended financial results are available on the Company's website [www.sobha.com](http://www.sobha.com) and on the website of BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and The National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)).



J

**SOBHA LIMITED**

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**Statement of consolidated audited financial results for the quarter and year ended 31 March 2023**

**(7) Consolidated segment wise revenue, results, segment assets and liabilities**

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz., Real estate and Contractual and manufacturing business. Details of consolidated segment-wise revenue, results, assets and liabilities is given below:

| (₹ in million) |   |  |  |   |                                       |  |
|----------------|---|--|--|---|---------------------------------------|--|
|                | Particulars                               | 3 months ended<br>31.03.2023<br>[Refer note 4] | Preceding 3<br>months ended<br>31.12.2022<br>[Unaudited] | Corresponding 3<br>months ended<br>31.03.2022 (*)<br>[Refer note 4] | Year ended<br>31.03.2023<br>[Audited] | Year ended<br>31.03.2022(*)<br>[Audited] |
| I              | <b>Segment revenue</b>                    |  |  |   |                                       |  |
|                | Real estate                               | 9,595  | 6,774  | 5,229   | 25,372                                | 18,514                                   |
|                | Contractual and manufacturing             | 2,888  | 2,328  | 2,103   | 9,331                                 | 7,891                                    |
|                | <b>Total</b>                              | <b>12,483</b>                                  | <b>9,102</b>   | <b>7,332</b>  | <b>34,703</b>                         | <b>26,405</b>                            |
|                | Less: Inter segment revenues              | (384)  | (420)  | (229)   | (1,602)                               | (792)                                    |
|                | <b>Net revenue from operations</b>        | <b>12,099</b>                                  | <b>8,682</b>   | <b>7,103</b>  | <b>33,101</b>                         | <b>25,613</b>                            |
| II             | <b>Segment results</b>                    |  |  |   |                                       |  |
|                | Real estate                               | 1,756  | 1,456  | 1,465   | 5,972                                 | 7,597                                    |
|                | Contractual and manufacturing             | (79)   | (88)   | (58)  | (45)                                  | (119)                                    |
|                | <b>Profit before other adjustments</b>    | <b>1,677</b>                                   | <b>1,368</b>   | <b>1,407</b>  | <b>5,827</b>                          | <b>7,468</b>                             |
|                | Less: Finance cost                        | (611)  | (660)  | (683)   | (2,490)                               | (3,083)                                  |
|                | Less: Other unallocable expenditure       | (652)  | (604)  | (764)   | (2,529)                               | (2,602)                                  |
|                | Add: Unallocable finance and other income | 255  | 247  | 288   | 641                                   | 583                                      |
|                | <b>Profit before tax</b>                  | <b>669</b>                                     | <b>351</b>   | <b>248</b>  | <b>1,449</b>                          | <b>2,366</b>                             |
| III            | <b>Segment assets (#)</b>                 |  |  |   |                                       |  |
|                | Real estate                               | 104,150  | 98,565   | 93,004  | 104,150                               | 93,004                                   |
|                | Contractual and manufacturing             | 6,519  | 6,985  | 7,879   | 6,519                                 | 7,879                                    |
|                | Unallocated assets                        | 15,088   | 18,045   | 14,299  | 15,088                                | 14,299                                   |
|                | <b>Total assets</b>                       | <b>125,757</b>                                 | <b>123,595</b>   | <b>115,182</b>  | <b>125,757</b>                        | <b>115,182</b>                           |
| IV             | <b>Segment liabilities (#)</b>            |  |  |   |                                       |  |
|                | Real estate                               | 67,876   | 65,447   | 51,844  | 67,876                                | 51,844                                   |
|                | Contractual and manufacturing             | 6,239  | 6,530  | 6,373   | 6,239                                 | 6,373                                    |
|                | Unallocated liabilities                   | 26,695   | 27,143   | 32,736  | 26,695                                | 32,736                                   |
|                | <b>Total liabilities</b>                  | <b>100,810</b>                                 | <b>99,120</b>  | <b>90,953</b>   | <b>100,810</b>                        | <b>90,953</b>                            |

(\*) refer note 11

(#) Capital employed = Segment assets - Segment liabilities

**(8) The figures of audited standalone financial results are as follow:**

| (₹ in million) |                             |  |  |   |                                       |  |
|----------------|-----------------------------|--|--|---|---------------------------------------|--|
|                | Particulars                 | 3 months ended<br>31.03.2023<br>[Refer note 4] | Preceding 3<br>months ended<br>31.12.2022<br>[Unaudited] | Corresponding 3<br>months ended<br>31.03.2022 (*)<br>[Refer note 4] | Year ended<br>31.03.2023<br>[Audited] | Year ended<br>31.03.2022(*)<br>[Audited] |
|                | Total income                | 12,525   | 9,190  | 7,473   | 34,259                                | 26,352                                   |
|                | Profit before tax           | 626  | 421  | 276   | 1,317                                 | 2,310                                    |
|                | Profit for the period/ year | 440  | 366  | 167   | 953                                   | 1,690                                    |

(\*) refer note 11



*Handwritten signature/initials*

**Statement of consolidated audited financial results for the quarter and year ended 31 March 2023**

- (9) 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 Enforcement Directorate ('ED') after due investigation has filed a complaint with Adjudicating Authority, Prevention of Money Laundering ('AA-PML'), alleging certain 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) resulting in provisional attachment under the Prevention of Money Laundering Act, 2002 ('PMLA') of land parcels with value of ₹ 2,016 million disclosed under "Other non-current assets" in the accompanying statement, held by Technobuild Developers Private Limited ('TDPL'). The Holding Company has entered into a Memorandum of Understanding ('MoU') with TDPL for acquiring land parcels using advances extended by the Holding Company. As per the MoU, TDPL and its affiliates cannot transfer land parcels without prior approval of the Holding Company and the Holding Company has absolute rights over land parcels acquired by TDPL and its affiliates acquired from such advance given by the Holding Company.

As part of the inquiry process, the Holding Company and its officers have been asked to provide contracts, documents and justification in respect of this transaction by the concerned authorities. The Holding Company and its officers have been responding to the queries raised / documents sought from time to time. During the current quarter, the Holding Company is in receipt of Show Cause Notice (SCN) under the PMLA from AA-PML and the Holding Company has duly filed detailed responses to allegations made in SCN and the Holding Company is yet to receive the response from AA-PML.

The management, 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 and has not identified any adverse material impact to the financial results as at 31 March 2023 or for earlier periods including the recoverability of land advance given against such provisionally attached ₹ 2,016 million land parcels held through TDPL.

- (10) During the previous quarter, one of the customers of Sobha Assets Private Limited (SAPL), a wholly owned subsidiary of the Holding Company has terminated a project development contract entered by it and demanded compensation of ₹ 2,956 million in addition to forfeiture of ₹ 227 million performance guarantee and ₹ 26 million of deposits alleging that SAPL has not commenced the contract work. The carrying value of aforesaid project related assets/receivables as at 31 March 2023 is ₹ 354 million. SAPL has filed petition with the court of jurisdiction challenging the termination and its grounds, and also filed a counter claim from the customer towards business loss and other receivables. The Holding company based on its overall assessment and independent legal opinion, believes that the aforesaid termination is illegal and will not have any adverse impact to the financial results and accordingly no provision has been made.
- (11) The financial information for the previous reporting periods were restated for correction of certain items in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors which are described in more detailed as below:

(i) The Group had accrued for notional interest on advance from customers involving sale of real estate unit and had capitalised such interest to project cost. However, the Group received such consideration in accordance with the terms of the contract in proportion to the completion of such real estate project and accordingly does not involve any significant financing element.

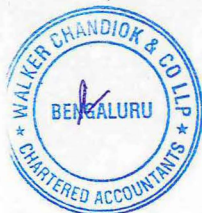
(ii) The Holding Company has restated the accounting for revenue from the development and transfer of constructed area/revenue sharing arrangement in exchange of such development rights acquired under Joint Development Arrangement (JDAs) [not being jointly controlled operations] on gross basis in accordance with guidance on 'non-cash consideration' under Ind AS 115, Revenue from Contract with Customer.

(iii) The Holding Company has restated the capitalisation of borrowing cost on lands and land advances wherein no significant development activity had commenced and projects wherein substantially all activities necessary for their sale had been completed to capitalise appropriate borrowing cost and other directly attributable project cost to projects under construction in accordance with relevant Ind AS.

(iv) rectification of certain other items pertaining to (a) accounting of construction contracts, other operating income and expense (b) right of use asset (c) discounting of retention money and (d) reclassification of borrowings. Consequential impact of deferred tax has been recorded on these adjustments.

The effect of restatement on financial results line items for the previous periods / year is as follows:

| Particulars   | Note                   | (₹ in million)  |                                       |
|---|------------------------|---|---------------------------------------|
|   |                        | 3 months ended<br>31.03.2022<br>[Audited] [Refer<br>note 4] | Year ended<br>31.03.2022<br>[Audited] |
| Revenue from operations   | (i), (ii), (iv)        | (210)   | (1,696)                               |
| Other income  | (iv)                   | (21)  | (67)                                  |
| <b>Total income</b>   |                        | <b>(231)</b>  | <b>(1,763)</b>                        |
| Land purchase cost  | (ii)                   | 112   | 112                                   |
| Changes in purchase of project materials, land stock, work in progress and finished goods | (i), (ii), (iii)       | 843   | 1,620                                 |
| Employee benefits expense   | (iv)                   | 59  | 217                                   |
| Finance cost  | (i), (iii)             | (1,163)   | (4,415)                               |
| Depreciation and amortization expense   | (iv)                   | (10)  | (2)                                   |
| Other expenses  | (iv)                   | 45  | (80)                                  |
| <b>Total expenses</b>   |                        | <b>(114)</b>  | <b>(2,548)</b>                        |
| <b>Profit before tax</b>  |                        | <b>(117)</b>  | <b>785</b>                            |
| Deferred tax (credit)/charge  | (i), (ii), (iii), (iv) | (8)   | 221                                   |
| <b>Total comprehensive income for the period / year</b>                                   |                        | <b>(109)</b>  | <b>564</b>                            |



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**Statement of consolidated audited financial results for the quarter and year ended 31 March 2023**

| <b>Impact on Consolidated Balance Sheet</b>  |                  | (₹ in million)                      |                                     |
|--|------------------|-------------------------------------|-------------------------------------|
| <b>Particulars</b>   | <b>Note</b>      | <b>As at 31.03.22<br/>[Audited]</b> | <b>As at 31.03.21<br/>[Audited]</b> |
| Property, plant and equipment  | (iv)             | 31                                  | 73                                  |
| Investment property  | (iv)             | 285                                 | 427                                 |
| Right of use assets  | (iv)             | 30                                  | 32                                  |
| Trade receivables  | (iv)             | 91                                  | 97                                  |
| Other non-current financial assets   | (iv)             | (169)                               | (151)                               |
| Deferred tax asset (net)   | (iv)             | 262                                 | 475                                 |
| Other non-current assets   | (i), (iii)       | (639)                               | (658)                               |
| Inventories  | (i), (ii), (iii) | 2,245                               | 3,738                               |
| Loans  | (iv)             | 11                                  | 0                                   |
| Other current financial assets   | (iii)            | 20                                  | 84                                  |
| <del>Other current assets</del>  | (iv)             | (923)                               | (634)                               |
| Other equity   | (i), (ii), (iv)  | (876)                               | (1,439)                             |
| Non-current borrowings   | (iv)             | (3,629)                             | 0                                   |
| Non-current lease liabilities  | (iv)             | 163                                 | 150                                 |
| Current borrowings   | (iv)             | 3,127                               | 120                                 |
| Current lease liabilities  | (iv)             | (10)                                | (1)                                 |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | (iv)             | (2,283)                             | (2,331)                             |
| Other current financial liabilities  | (iv)             | 1,016                               | 1,016                               |
| Other current liabilities  | (iv)             | 2,715                               | 5,449                               |

| <b>Impact on Consolidated Cash flows</b> |  | (₹ in million) |
|--|--|----------------|
| <b>Particulars</b>                       | <b>Year ended<br/>31.03.2022 (*)<br/>[Audited]</b> |                |
| Net cash from operating activities       | (50)   |                |
| Net cash flows from financing activities | 50   |                |

| <b>Restatement in the earning per share</b>     |   |  |
|---|---|--|
| <b>Particulars</b>                              | <b>3 months ended<br/>31.03.2022<br/>(Refer note 4)</b> | <b>Year ended<br/>31.03.2022<br/>[Audited]</b> |
| Earning per equity share (face value ₹ 10 Each) |   |  |
| Earnings per share (EPS) - (iii) - Reported     | 2.04  | 12.22  |
| Earnings per share (EPS) - (in ₹) - Restated    | 1.50  | 18.27  |

- (12) In the earlier year, the Holding Company, in process of renewal of Fire Department clearance for one of the project, procured by an entrusted person was found to be defective. On becoming aware of this fact, the Holding Company immediately took remedial steps and obtained renewed approvals, which were then re-submitted with the local body for regularization. During the current quarter, the local body has cancelled the Occupancy Certificate (OC), against which the Holding Company has filed an appeal with Karnataka Appellate Tribunal challenging the cancellation of OC. The Karnataka Appellate Tribunal has pleased to stay the cancellation order of local body. The Holding Company is continuously working with the local body for resolution of the aforesaid matter. The management is of the view that the aforementioned event shall not have a material impact on the financial results of the Group.
- (13) The Income Tax Department ("the Department") conducted a Search activity ("the search") under Section 132 of the Income Tax Act ("the Search") at various premises of the Holding Company and certain group companies during March 2023. The Holding Company has provided all the necessary support and cooperation to the Income-tax officials during the search and provided all the necessary information including documents and data sought by the Department. As on the date of issuance of these financial results, the Group has only received a notice u/s148 allowing the management to re-file the Income Tax return for AY 2016-17.
- While the uncertainty exist regarding the outcomes of the proceedings by the Department, the Holding Company and certain group companies after considering all available records and facts known to it, has not identified any adjustments to the current or prior period consolidated financial results at this stage.
- (14) The Board of Directors of the Holding Company have recommended a final dividend of ₹ 3 per equity share amounting to ₹ 285 millions for the year ended 31 March 2023, in their meeting held on 29 May 2023, which will be placed for approval of the shareholders in the ensuing Annual General Meeting of the Company.
- (15) Previous period's / year's figures have been regrouped or reclassified wherever necessary to conform with the current period / year figures.

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



*Jagadish*

Jagadish Nangineni  
Managing Director

Bengaluru, India  
29 May 2023



# Walker Chandiook & Co LLP

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## Independent Auditor's Report on Standalone Annual Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Sobha Limited

### Opinion

1. We have audited the accompanying standalone annual financial results ('the Statement') of Sobha Limited ('the Company') for the year ended 31 March 2023, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. 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 auditor as referred to in paragraph 14 below, the Statement:
  - (i) presents financial results in accordance with the requirements of Regulation 33 of the Listing Regulations; and
  - (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 ('the Act'), read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Company for the year ended 31 March 2023.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Statement* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('the ICAI') together with the ethical requirements that are relevant to our audit of the financial results 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 obtained by us together with the audit evidence obtained by the other auditor, in terms of their report referred to in paragraph 14 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.



# Walker Chandio & Co LLP

## Emphasis of Matters

4. We draw attention to Note 8 to the accompanying Statement, 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, 1975 (HDRUAA).

In respect of this transaction, the Enforcement Directorate ('ED') after due investigation has filed a complaint with Adjudicating Authority, Prevention of Money Laundering ('AA-PML'), alleging certain irregularities in 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 HDRUAA regulations and also non-payment of concerned charges pursuant to the change in beneficial interest, resulting in provisional attachment under the Prevention of Money Laundering Act, 2002 ('PMLA') of land parcels with value of ₹ 2,016 million held by Technobuild Developers Private Limited (TDPL) over which the Company has absolute rights through a Memorandum of Understanding entered with TDPL as explained in the said note.

During the current quarter, the Company is in receipt of a Show Cause Notice (SCN) under the PMLA from AA-PML and the Company has duly filed detailed response to the allegations made in SCN and the Company is yet to receive the response from AA-PML. The management, 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. Pending outcome of the ongoing regulatory proceedings including the duration of such proceedings and recoverability of land advance given against such provisionally attached ₹ 2,016 million land parcels is presently uncertain.

Our opinion is not modified in respect of this matter.

5. We draw attention to Note 10 to the accompanying Statement, which describes the restatements made to the comparative financial information for the quarter ended 31 March 2022, as at and for the year ended 31 March 2022 and as at 1 April 2021, in accordance with the principles of Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors, for correction of certain identified material prior period errors, which are further described in the aforesaid note.

Our opinion is not modified in respect of this matter.

6. We draw attention to Note 12 to the accompanying Statement, regarding the search operation carried out by the Income Tax Department at various business premises of the Company and certain other group companies during March 2023. As the Company and certain other group companies have not received any communication on the findings of the investigation by the Income Tax department till date, the impact of this matter on the standalone financial results for the year ended 31 March 2023 and the adjustments (if any) required to the accompanying Statement, is presently not ascertainable.

Our opinion is not modified in respect of this matter.

## Responsibilities of Management and Those Charged with Governance for the Statement

7. This Statement has been prepared on the basis of the standalone annual financial statements and has been approved by the Company's Board of Directors. The Company's Board of Directors is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/loss and other comprehensive income and other financial information of the Company in accordance with the Ind AS specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, and in compliance with Regulation 33 of the Listing Regulations. 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 the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



# Walker ChandioK & Co LLP

8. In preparing the Statement, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
9. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Statement**

10. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 Standards on Auditing, specified under section 143(10) of the Act, 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 this Statement.
11. As part of an audit in accordance with the Standards on Auditing, specified under section 143(10) of the Act, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Statement, 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 in place an adequate internal financial controls with reference to 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 Board of Directors.
  - Conclude on the appropriateness of the 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 Statement 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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
12. 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.
13. 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.



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## Other Matter

14. The Statement includes the Company's share of net profit after tax of ₹ 19.06 million and total comprehensive income of ₹ 19.06 million for the year ended on 31 March 2023 in respect of one partnership firm, whose annual financial statements have not been audited by us. These annual financial statements have been audited by another auditor whose audit reports has been furnished to us by the management, and our opinion in so far as it relates to the amounts and disclosures included in respect of this partnership firm is based solely on the audit report of such other auditor.

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the report of other auditor.

15. The Statement includes the standalone financial results for the quarter ended 31 March 2023, being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which were subject to limited review by us.
16. The audit of standalone financial results for the corresponding quarter and year ended 31 March 2022 included in the Statement was carried out and reported by B S R & Co. LLP, who have expressed unmodified opinion vide their audit report dated 20 May 2022, whose reports have been furnished to us, and which have been relied upon by us for the purpose of our audit of the Statement.

Our opinion is not modified in respect of this matter.

### For Walker Chandiook & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



### Manish Agrawal

Partner

Membership No. 507000

UDIN: 23507000BGYESL6527

Bengaluru

29 May 2023



**SOBHA LIMITED**

Corporate Identity Number (CIN) : L45201KA1995PLC018475

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Website: www.sobha.com

**Statement of standalone audited financial results for the quarter and year ended 31 March 2023**

|    |  |  |  |   |                                       | (₹ in million)                           |
|----|--|--|--|---|---------------------------------------|--|
|    | Particulars  | 3 months<br>ended 31.03.2023<br>[Refer note 4] | Preceding 3<br>months ended<br>31.12.2022<br>[Unaudited] | Corresponding 3<br>months ended<br>31.03.2022 (*)<br>[Refer note 4] | Year ended<br>31.03.2023<br>[Audited] | Year ended<br>31.03.2022(*)<br>[Audited] |
| 1  | <b>Income</b>  |  |  |   |                                       |  |
|    | (a) Revenue from operations  | 12,195   | 8,905  | 7,120   | 33,281                                | 25,471                                   |
|    | (b) Other income   | 330  | 285  | 353   | 978                                   | 881                                      |
|    | <b>Total income</b>  | <b>12,525</b>                                  | <b>9,190</b>   | <b>7,473</b>  | <b>34,259</b>                         | <b>26,352</b>                            |
| 2  | <b>Expenses</b>  |  |  |   |                                       |  |
|    | (a) Land purchase cost   | 4,202  | 5,581  | 1,273   | 10,493                                | 2,071                                    |
|    | (b) Cost of materials consumed   | 1,129  | 974  | 699   | 3,660                                 | 1,982                                    |
|    | (c) Purchase of project materials  | 3,428  | 2,150  | 1,460   | 9,491                                 | 5,180                                    |
|    | (d) Changes in purchase of project materials, land stock,<br>work in progress and finished goods | (2,011)  | (5,059)  | (723)   | (9,956)                               | (1,225)                                  |
|    | (e) Sub-contractor cost  | 1,923  | 2,365  | 1,889   | 8,101                                 | 6,382                                    |
|    | (f) Employee benefits expense  | 791  | 745  | 652   | 2,945                                 | 2,512                                    |
|    | (g) Finance costs  | 596  | 624  | 679   | 2,424                                 | 2,994                                    |
|    | (h) Depreciation and amortisation expense  | 169  | 169  | 170   | 639                                   | 678                                      |
|    | (i) Other expenses   | 1,672  | 1,220  | 1,098   | 5,145                                 | 3,468                                    |
|    | <b>Total expenses</b>  | <b>11,899</b>                                  | <b>8,769</b>   | <b>7,197</b>  | <b>32,942</b>                         | <b>24,042</b>                            |
| 3  | <b>Profit before tax (1-2)</b>   | <b>626</b>                                     | <b>421</b>   | <b>276</b>  | <b>1,317</b>                          | <b>2,310</b>                             |
| 4  | <b>Tax expense</b>   |  |  |   |                                       |  |
|    | (a) Current tax  | 233  | 31   | 108   | 300                                   | 581                                      |
|    | (b) Deferred tax (credit) / charge   | (47)   | 24   | 1   | 64                                    | 39                                       |
|    | <b>Total tax expense</b>   | <b>186</b>                                     | <b>55</b>  | <b>109</b>  | <b>364</b>                            | <b>620</b>                               |
| 5  | <b>Profit for the period/year (3-4)</b>  | <b>440</b>                                     | <b>366</b>   | <b>167</b>  | <b>953</b>                            | <b>1,690</b>                             |
| 6  | <b>Other comprehensive income</b>  |  |  |   |                                       |  |
|    | Items that will not be reclassified to profit or loss in subsequent periods:                     |  |  |   |                                       |  |
|    | Re-measurement (losses) / gains on defined benefit plan^^  | (20)   | 0  | 12  | (53)                                  | (12)                                     |
|    | Deferred tax credit / (charge) ^^  | 5  | 0  | (3)   | 13                                    | 3  |
|    | <b>Total other comprehensive income/(loss), net of tax</b>                                       | <b>(15)</b>                                    | <b>0</b>   | <b>9</b>  | <b>(40)</b>                           | <b>(9)</b>                               |
| 7  | <b>Total comprehensive income for the period/year (5+6)</b>                                      | <b>425</b>                                     | <b>366</b>   | <b>176</b>  | <b>913</b>                            | <b>1,681</b>                             |
| 8  | Paid-up equity share capital<br>(Face value per share - ₹ 10)                                    | 948  | 948  | 948   | 948                                   | 948                                      |
| 9  | Other equity   |  |  |   | 22,463                                | 21,834                                   |
| 10 | Earnings per share (EPS) - (in ₹)  |  |  |   |                                       |  |
|    | Basic and diluted EPS (not annualised for the quarters)  | 4.64   | 3.86   | 1.76  | 10.05                                 | 17.82                                    |

(\*) refer note 10

(^^) certain amounts that are required to be disclosed and do not appear due to rounding off are disclosed as '0'



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**SOBHA LIMITED**  
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Website: www.sobha.com

**Statement of standalone audited financial results for the quarter and year ended 31 March 2023**

**Notes :**

(1) The Standalone Balance Sheet is as below:

|          |  | (₹ in million)                |                                       |  |
|----------|--|-------------------------------|---------------------------------------|--|
|          | Particulars  | As at 31.03.2023<br>[Audited] | As at 31.03.2022<br>(* )<br>[Audited] | As at<br>1 April 2021(* )<br>[Audited] |
| <b>A</b> | <b>Assets</b>  |                               |                                       |  |
| <b>1</b> | <b>Non- current assets</b>   |                               |                                       |  |
|          | Property, plant and equipment  | 2,316                         | 2,346                                 | 2,721                                  |
|          | Investment property  | 2,768                         | 2,168                                 | 2,119                                  |
|          | Investment property under construction   | -                             | -                                     | 701                                    |
|          | Intangible assets  | 1                             | 1                                     | 1                                      |
|          | Intangible asset under development   | 18                            | -                                     | -                                      |
|          | Right of use assets  | 187                           | 223                                   | 276                                    |
|          | Financial assets   |                               |                                       |  |
|          | (i) Investments  | 4,521                         | 4,398                                 | 3,976                                  |
|          | (ii) Trade receivables   | 235                           | 655                                   | 621                                    |
|          | (iii) Loans  | 238                           | -                                     | -                                      |
|          | (iii) Other financial assets   | 374                           | 1,372                                 | 1,263                                  |
|          | Tax assets (net)   | 71                            | -                                     | -                                      |
|          | Deferred tax assets (net)  | 135                           | 185                                   | 216                                    |
|          | Other assets   | 9,296                         | 3,700                                 | 4,541                                  |
|          |  | <b>20,724</b>                 | <b>15,056</b>                         | <b>16,337</b>                          |
| <b>2</b> | <b>Current assets</b>  |                               |                                       |  |
|          | Inventories  | 62,807                        | 72,630                                | 71,366                                 |
|          | Financial assets   |                               |                                       |  |
|          | (i) Trade receivables  | 2,089                         | 3,502                                 | 1,935                                  |
|          | (ii) Cash and cash equivalents   | 2,724                         | 1,346                                 | 1,573                                  |
|          | (iii) Bank balance other than (ii) above   | 1,681                         | 384                                   | 393                                    |
|          | (iv) Loans   | 438                           | 343                                   | 303                                    |
|          | (v) Other financial assets   | 4,719                         | 4,885                                 | 5,803                                  |
|          | Other assets   | 6,078                         | 12,784                                | 12,948                                 |
|          |  | <b>100,596</b>                | <b>96,074</b>                         | <b>94,343</b>                          |
|          | <b>Total assets</b>  | <b>121,320</b>                | <b>111,132</b>                        | <b>110,680</b>                         |
| <b>B</b> | <b>Equity and liabilities</b>  |                               |                                       |  |
| <b>1</b> | <b>Equity</b>  |                               |                                       |  |
|          | Equity share capital   | 948                           | 948                                   | 948                                    |
|          | Other equity   | 22,463                        | 21,834                                | 20,483                                 |
|          | <b>Total equity</b>  | <b>23,411</b>                 | <b>22,782</b>                         | <b>21,431</b>                          |
| <b>2</b> | <b>Non-current liabilities</b>   |                               |                                       |  |
|          | Financial liabilities  |                               |                                       |  |
|          | (i) Borrowings   | 5,586                         | 3,007                                 | 2,768                                  |
|          | (ii) Lease liabilities   | 205                           | 203                                   | 218                                    |
|          | Provisions   | 229                           | 175                                   | 151                                    |
|          |  | <b>6,020</b>                  | <b>3,385</b>                          | <b>3,137</b>                           |
| <b>3</b> | <b>Current liabilities</b>   |                               |                                       |  |
|          | Financial liabilities  |                               |                                       |  |
|          | (i) Borrowings   | 13,808                        | 21,304                                | 26,524                                 |
|          | (ii) Lease liabilities   | 28                            | 51                                    | 61                                     |
|          | (iii) Trade payables   |                               |                                       |  |
|          | (A) Total outstanding dues of micro enterprises and small enterprises; and                 | -                             | -                                     | -                                      |
|          | (B) Total outstanding dues of creditors other than micro enterprises and small enterprises | 5,956                         | 4,415                                 | 5,009                                  |
|          | (iv) Other financial liabilities   | 8,586                         | 6,983                                 | 6,650                                  |
|          | Other liabilities  | 62,308                        | 51,814                                | 47,622                                 |
|          | Provisions   | 203                           | 155                                   | 139                                    |
|          | Tax liabilities (net)  | -                             | 203                                   | 87                                     |
|          |  | <b>91,889</b>                 | <b>84,965</b>                         | <b>86,112</b>                          |
|          | <b>Total liabilities</b>   | <b>97,909</b>                 | <b>88,350</b>                         | <b>89,249</b>                          |
|          | <b>Total equity and liabilities</b>  | <b>121,320</b>                | <b>111,132</b>                        | <b>110,680</b>                         |

(\*) refer note 10



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**SOBHA LIMITED**

~~Corporate Identity Number (CIN) - L45201KA1995PL310475~~

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Website: www.sobha.com

**Statement of standalone audited financial results for the quarter and year ended 31 March 2023**

(2) The standalone statement of cash flows is as below:

(₹ in million)

| Particulars   | Year ended<br>31.03.2023<br>[Audited] | Year ended<br>31.03.2022(*)<br>[Audited] |
|---|---------------------------------------|--|
| <b>A. Cash flows from operating activities</b>  |                                       |  |
| Profit before tax   | 1,317                                 | 2,310                                    |
| <b>Adjustments to reconcile profit before tax to net cash flows from operating activities</b> |                                       |  |
| Depreciation and amortization   | 639                                   | 678                                      |
| Gain on sale of property, plant and equipment and Investment property                         | (1)                                   | (351)                                    |
| Finance costs (including fair value change in financial instruments)                          | 2,424                                 | 2,994                                    |
| Finance income (including fair value change in financial instruments)                         | (380)                                 | (332)                                    |
| Share of (profit) / loss from partnership firm  | (19)                                  | 6  |
| Impairment of property, plant and equipment   | 59                                    | -  |
| Allowance for credit loss   | 314                                   | 19                                       |
| Bad debts written off   | -                                     | 4  |
| Provision for land advances   | 168                                   | -  |
| Liabilities written back  | (328)                                 | (6)                                      |
| Other advances written off  | 61                                    | -  |
| <b>Operating profit before working capital changes</b>  | <b>4,254</b>                          | <b>5,321</b>                             |
| <b>Working capital adjustments</b>  |                                       |  |
| Changes in trade receivables  | 960                                   | (1,721)                                  |
| Changes in inventories  | (10,037)                              | (1,442)                                  |
| Changes in other current and non-current financial assets                                     | 1,182                                 | 1,284                                    |
| Changes in other current and non-current assets   | 880                                   | 979                                      |
| Changes in trade payables   | 1,869                                 | (594)                                    |
| Changes in provisions   | 102                                   | 39                                       |
| Changes in other current financial liabilities  | 1,602                                 | 325                                      |
| Changes in other current liabilities  | 11,473                                | 4,306                                    |
| <b>Cash generated from operating activities</b>   | <b>12,284</b>                         | <b>8,498</b>                             |
| Income tax paid (net of refund)   | (557)                                 | (465)                                    |
| <b>Net cash flows from operating activities (A)</b>   | <b>11,727</b>                         | <b>8,033</b>                             |
| <b>B. Cash flow from investing activities</b>   |                                       |  |
| Purchase of property, plant and equipment, investment property and intangible assets          | (1,221)                               | (257)                                    |
| Proceeds from sale of property, plant and equipment and investment property                   | 68                                    | 661                                      |
| Loans to subsidiaries   | (850)                                 | (9)                                      |
| Loans repaid by subsidiaries  | 550                                   | -  |
| Contribution to Partnership firm  | (104)                                 | (417)                                    |
| Investments in fixed deposits (net)   | (1,305)                               | (74)                                     |
| Interest income   | 98                                    | 32                                       |
| <b>Net cash flows (used in)/from investing activities (B)</b>                                 | <b>(2,764)</b>                        | <b>(64)</b>                              |
| <b>C. Cash flow from financing activities</b>   |                                       |  |
| Repayments of current borrowings (net)  | (6,439)                               | (8,842)                                  |
| Proceeds from non-current borrowings  | 2,724                                 | 4,287                                    |
| Repayment of non-current borrowings   | (1,311)                               | (120)                                    |
| Repayment of lease liabilities  | (79)                                  | (79)                                     |
| Interest paid   | (2,195)                               | (2,810)                                  |
| Dividend paid on equity shares  | (285)                                 | (332)                                    |
| <b>Net cash flows used in financing activities (C)</b>  | <b>(7,585)</b>                        | <b>(8,196)</b>                           |
| Net increase/ (decrease) in cash and cash equivalents (A+B+C)                                 | 1,378                                 | (227)                                    |
| Cash and cash equivalents at the beginning of the year  | 1,346                                 | 1,573                                    |
| <b>Cash and cash equivalents at the end of the year</b>                                       | <b>2,724</b>                          | <b>1,346</b>                             |
| Less: Book overdraft from scheduled banks   | (1,026)                               | (271)                                    |
| <b>Net Cash and cash equivalents at the end of the year</b>                                   | <b>1,698</b>                          | <b>1,075</b>                             |

(\*) refer note 10

- (3) The Standalone Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS-7) Statement of Cash Flow.
- (4) The standalone audited financial results, for the quarter and year ended 31 March 2023 have been prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 ('The Act') read with relevant rules thereunder and in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These Standalone audited financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 29 May 2023.

The figures for the quarter ended 31 March 2023 and 31 March 2022 are the balancing figures between the audited figures in respect of the full financial years and the published unaudited year to date figures upto third quarter of the respective financial years. Also the figures upto the end of the third quarter were only reviewed and not subject to audit.

- (5) The Statutory auditors of the Company have carried out audit as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 of the above standalone audited financial results for the year ended 31 March 2023 and have issued an unmodified audit report.



**SOBHA LIMITED**  
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**Statement of standalone audited financial results for the quarter and year ended 31 March 2023**

(6) The quarter and year ended financial results are available on the Company's website [www.sobha.com](http://www.sobha.com) and on the website of BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and The National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)).

(7) ~~Standalone segment wise revenue, results, segment assets and liabilities~~

Based on the "management approach" as defined in Ind AS 108 - Operating Segments, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments. Accordingly, information has been presented along these business segments viz., Real estate and Contractual and manufacturing business. Details of standalone segment-wise revenue, results, assets and liabilities is given below:

|   |  | ( <b>₹ in million</b> )                        |   |  |                                       |  |
|---|--|--|---|--|---------------------------------------|--|
|   | Particulars  | 3 months ended<br>31.03.2023<br>[Refer note 4] | Preceding 3 months ended<br>31.12.2022<br>[Unaudited] | Corresponding 3 months ended<br>31.03.2022 (*)<br>[Refer note 4] | Year ended<br>31.03.2023<br>[Audited] | Year ended<br>31.03.2022(*)<br>[Audited] |
| I   | <b>Segment revenue</b>   |  |   |  |                                       |  |
|   | Real estate  | 9,512  | 6,615   | 5,123  | 24,543                                | 18,049                                   |
|   | Contractual and manufacturing                                  | 3,067  | 2,710   | 2,226  | 10,340                                | 8,214                                    |
|   | <b>Total</b>   | <b>12,579</b>                                  | <b>9,325</b>  | <b>7,349</b>   | <b>34,883</b>                         | <b>26,263</b>                            |
|   | Less: Inter segment revenues                                   | (384)  | (420)   | (229)  | (1,602)                               | (792)                                    |
|   | <b>Net revenue from operations</b>                             | <b>12,195</b>                                  | <b>8,905</b>  | <b>7,120</b>   | <b>33,281</b>                         | <b>25,471</b>                            |
| II  | <b>Segment results</b>   |  |   |  |                                       |  |
|   | Real estate  | 1,650  | 1,387   | 1,659  | 5,442                                 | 7,385                                    |
|   | Contractual and manufacturing                                  | (59)   | 27  | (233)  | 131                                   | (90)                                     |
|   | <b>Profit before other adjustments</b>                         | <b>1,591</b>                                   | <b>1,414</b>  | <b>1,426</b>   | <b>5,573</b>                          | <b>7,295</b>                             |
|   | Less: Finance cost   | (596)  | (624)   | (679)  | (2,424)                               | (2,994)                                  |
|   | Less: Other unallocable expenditure                            | (652)  | (604)   | (768)  | (2,528)                               | (2,596)                                  |
|   | Add: Share of (loss) / profit in a subsidiary partnership firm | 14   | (23)  | 4  | 19                                    | (6)                                      |
| Add: Unallocable finance and other income | 269  | 258  | 293   | 677  | 611                                   |  |
|   | <b>Profit before tax</b>                                       | <b>626</b>                                     | <b>421</b>  | <b>276</b>   | <b>1,317</b>                          | <b>2,310</b>                             |
| III                                       | <b>Segment assets (#)</b>                                      |  |   |  |                                       |  |
|   | Real estate  | 99,713   | 94,553  | 88,954   | 99,713                                | 88,954                                   |
|   | Contractual and manufacturing                                  | 6,519  | 6,985   | 7,879  | 6,519                                 | 7,879                                    |
|   | Unallocated assets   | 15,088   | 18,045  | 14,299   | 15,088                                | 14,299                                   |
|   | <b>Total assets</b>  | <b>121,320</b>                                 | <b>119,583</b>  | <b>111,132</b>   | <b>121,320</b>                        | <b>111,132</b>                           |
| IV  | <b>Segment liabilities (#)</b>                                 |  |   |  |                                       |  |
|   | Real estate  | 64,975   | 62,926  | 49,241   | 64,975                                | 49,241                                   |
|   | Contractual and manufacturing                                  | 6,239  | 6,530   | 6,373  | 6,239                                 | 6,373                                    |
|   | Unallocated liabilities  | 26,695   | 27,143  | 32,736   | 26,695                                | 32,736                                   |
|   | <b>Total liabilities</b>                                       | <b>97,909</b>                                  | <b>96,599</b>   | <b>88,350</b>  | <b>97,909</b>                         | <b>88,350</b>                            |

(\*) refer note 10

(#) Capital employed = Segment assets - Segment liabilities

(8) 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 Enforcement Directorate (ED) after due investigation has filed a complaint with Adjudicating Authority, Prevention of Money Laundering (AA-PML), alleging certain 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 (HDRA), 1975 and the bilateral agreement between the land owners and Directorate of Town and Country Planning, Haryana (DTCP) resulting in provisional attachment under the Prevention of Money Laundering Act, 2002 (PMLA) of land parcels with value of ₹ 2,016 million disclosed under "Other non-current assets" in the accompanying statement, held by Technobuild Developers Private Limited (TDPL). The Company has entered into a Memorandum of Understanding (MoU) with TDPL for acquiring land parcels using advances extended by the Company. As per the MoU, TDPL and its affiliates cannot transfer land parcels without prior approval of the Company and the Company has absolute rights over land parcels acquired by TDPL and its affiliates acquired from such advance given by the Company.

As part of the inquiry process, the Company and its officers have been asked to provide contracts, documents and justification in respect of this transaction by the concerned authorities. The Company and its officers have been responding to the queries raised / documents sought from time to time. During the current quarter, the Company is in receipt of Show Cause notice (SCN) under the PMLA from AA-PML and the Company has duly filed detailed responses to allegations made in SCN and the Company is yet to receive the response from AA-PML.

The management, 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 and has not identified any adverse material impact to the financial results as at 31 March 2023 or for earlier periods including the recoverability of land advance given against such provisionally attached ₹ 2,016 million land parcels held through TDPL.

(9) During the previous quarter, one of the customers of Sobha Assets Private Limited (SAPL), a wholly owned subsidiary of the company has terminated a project development contract entered by it and demanded compensation of ₹ 2,956 million in addition to forfeiture of ₹ 227 million performance guarantee and ₹ 26 million of deposits alleging that SAPL has not commenced the contract work. The carrying value of aforesaid project related assets/receivables as at 31 March 2023 in the book of the Company and SAPL is ₹ 24 million and ₹ 330 million respectively. SAPL has filed petition with the court of jurisdiction challenging the termination and its grounds, and also filed a counter claim from the customer towards business loss and other receivables. The company based on its overall assessment and independent legal opinion, believes that the aforesaid termination is illegal and will not have any adverse impact to the financial results and accordingly no provision has been made.



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**SOBHA LIMITED**

**Corporate Identity Number (CIN) : L45201KA1995PLC018475**

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Ph: +91-80-49320000 Fax: +91-80-49320444 Email: investors@sobha.com

Website: www.sobha.com

**Statement of standalone audited financial results for the quarter and year ended 31 March 2023**

(10) The financial information for the previous reporting periods were restated for correction of certain items in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors which are described in more detailed as below:

(i) The Company had accrued for notional interest on advance from customers involving sale of real estate unit and had capitalised such interest to project cost. However, the Company received such consideration in accordance with the terms of the contract in proportion to the completion of such real estate project and accordingly does not involve any significant financing element.

(ii) The Company has restated the accounting for revenue from the development and transfer of constructed area/revenue sharing arrangement in exchange of such development rights acquired under Joint Development Arrangement (JDAs) [not being jointly controlled operations] on gross basis in accordance with guidance on 'non-cash consideration' under Ind AS 115, Revenue from Contract with Customer.

(iii) The Company has restated the capitalisation of borrowing cost on lands and land advances wherein no significant development activity had commenced and projects wherein substantially all activities necessary for their sale had been completed to capitalise appropriate borrowing cost and other directly attributable project cost to projects under construction in accordance with relevant Ind AS.

(iv) rectification of certain other items pertaining to (a) accounting of construction contracts, other operating income and expense (b) right of use asset (c) discounting of retention money and (d) reclassification of borrowings. Consequential impact of deferred tax has been recorded on these adjustments.

The effect of restatement on financial results line items for the previous period/ years is as follows:

**Impact on Statement of standalone audited financial results**

(**₹ in million**)

| Particulars   | Note                   | 3 months ended<br>31.03.2022<br>[Audited] [Refer<br>note 4] | Year ended<br>31.03.2022<br>[Audited] |
|---|------------------------|---|---------------------------------------|
| Revenue from operations   | (i), (ii), (iv)        | (1,65)  | (1,571)                               |
| Other income  | (iv)                   | (21)  | (67)                                  |
| <b>Total income</b>   |                        | <b>(217)</b>  | <b>(1,737)</b>                        |
| Land purchase cost  | (ii)                   | 112   | 112                                   |
| Changes in purchase of project materials, land stock, work in progress and finished goods | (i), (ii), (iii)       | 822   | 1,521                                 |
| Employee benefits expense   | (iv)                   | 59  | 217                                   |
| Finance cost  | (i), (iii)             | (1,129)   | (4,289)                               |
| Depreciation and amortization expense   | (iv)                   | (10)  | (2)                                   |
| Other expenses  | (iv)                   | 45  | (80)                                  |
| <b>Total expenses</b>   |                        | <b>(101)</b>  | <b>(2,521)</b>                        |
| <b>Profit before tax</b>  |                        | <b>(116)</b>  | <b>784</b>                            |
| Deferred tax (credit)/charge  | (i), (ii), (iii), (iv) | (8)   | 222                                   |
| <b>Total comprehensive income for the period / year</b>                                   |                        | <b>(108)</b>  | <b>562</b>                            |

**Impact on Standalone Balance Sheet**

(**₹ in million**)

| Particulars  | Note             | As at 31.03.2022<br>[Audited] | As at 31.03.2021<br>[Audited] |
|--|------------------|-------------------------------|-------------------------------|
| Property, plant and equipment  | (iv)             | 31                            | 73                            |
| Investment property  | (iv)             | 285                           | 427                           |
| Right of use assets  | (iv)             | 30                            | 32                            |
| Trade receivables  | (iv)             | 91                            | 97                            |
| Other non-current financial assets   | (iv)             | (169)                         | (151)                         |
| Deferred tax asset (net)   | (iv)             | 262                           | 475                           |
| Other non-current assets   | (i), (iii)       | (639)                         | (658)                         |
| Inventories  | (i), (ii), (iii) | 2,478                         | 3,873                         |
| Loans  | (iv)             | 343                           | 303                           |
| Other current financial assets   | (iii)            | 20                            | 84                            |
| Other current assets   | (ii)             | (923)                         | (854)                         |
| Other equity   | (i), (ii), (iv)  | (876)                         | (1,439)                       |
| Non-current borrowings   | (iv)             | (3,629)                       | -                             |
| Non-current lease liabilities  | (iv)             | 163                           | 150                           |
| Current borrowings   | (iv)             | 4,052                         | 420                           |
| Current lease liabilities  | (iv)             | (10)                          | (1)                           |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | (iv)             | (2,283)                       | (2,331)                       |
| Other current financial liabilities  | (iv)             | 1,101                         | 1,016                         |
| Other liabilities  | (iv)             | 2,948                         | 5,583                         |

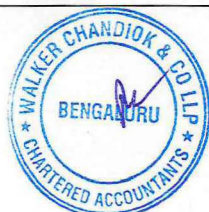
**Impact on Standalone Cash flows**

(**₹ in million**)

| Particulars                                 | Year ended<br>31.03.2022 (*)<br>[Audited] |
|---|---|
| Net cash flows used in operating activities | 50  |
| Net cash flows used in financing activities | (50)                                      |

**Restatement in the earning per share**

| Particulars                                     | 3 months ended<br>31.03.2022<br>(Refer note 4) | Year ended<br>31.03.2022<br>[Audited] |
|---|--|---------------------------------------|
| Earning per equity share (face value ₹ 10 Each) |  |                                       |
| Earnings per share (EPS) - (in ₹) - Reported    | 2.92   | 11.90                                 |
| Earnings per share (EPS) - (in ₹) - Restated    | 1.76   | 17.82                                 |



21



**SOBHA LIMITED**

**Corporate Identity Number (CIN) : L45201KA1995PLC018475**

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**Statement of standalone audited financial results for the quarter and year ended 31 March 2023**

- (11) In the earlier year, the Company, in process of renewal of Fire Department clearance for one of the project, procured by an entrusted person was found to be defective. On becoming aware of this fact, the Company immediately took remedial steps and obtained renewed approvals, which were then re-submitted with the local body for regularization. During the current quarter, the local body has cancelled the Occupancy Certificate (OC), against which the Company has filed an appeal with Karnataka Appellate Tribunal challenging the cancellation of OC. The Karnataka Appellate Tribunal has pleased to stay the cancellation order of local body. The Company is continuously working with the local body for resolution of the aforesaid matter. The management is of the view that the aforementioned event shall not have a material impact on the financial results of the Company.
- (12) The Income Tax Department ("the Department") conducted a Search activity ("the search") under Section 132 of the Income Tax Act ("the Search") at various premises of the Company and certain group companies during March 2023. The Company has provided all the necessary support and cooperation to the Income-tax officials during the search and provided all the necessary information including documents and data sought by the Department. As on the date of issuance of these financial results, the Company has only received a notice u/s148 allowing the management to re-file the Income Tax return for AY 2016-17.

While the uncertainty exist regarding the outcomes of the proceedings by the Department, the Company and certain group companies after considering all available records and facts known to it, has not identified any adjustments to the current or prior period standalone financial results at this stage.

- (13) The Board of Directors of the Company have recommended a final dividend of ₹ 3 per equity share amounting to ₹ 285 millions for the year ended 31 March 2023, in their meeting held on 29 May 2023, which will be placed for approval of the shareholders in the ensuing Annual General Meeting of the Company.
- (14) Previous period's / year's figures have been regrouped or reclassified wherever necessary to conform with the current period / year figures.

Bengaluru, India  
29 May 2023



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

*Jagadish*

Jagadish Nangineni  
Managing Director

