



Date: August 07, 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
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Dear Sir / Madam,

**Sub: Outcome of Board Meeting held on August 07, 2023.**

This is to inform that the Board of the Directors of the company, at their meeting held today, i.e. Monday, August 07, 2023, took on record the Unaudited Financial Results for the quarter ended June 30, 2023.

In this connection, please find enclosed herewith:

1. Unaudited Consolidated Financial Results for the quarter ended June 30, 2023 along with the Limited Review Report.
2. Unaudited Standalone Financial Results for the quarter ended June 30, 2023 along with the Limited Review Report.

The Board Meeting commenced at 2:30 P.M. and concluded at 04:44 P.M.

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

Yours sincerely,

**FOR SOBHA LIMITED**



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

**SOBHA LIMITED**

REGD & CORPORATE OFFICE : 'SOBHA', SARJAPUR - MARATHAHALLI OUTER RING ROAD, BELLANDUR POST, BANGALORE - 560103, INDIA  
CIN: L45201KA1995PLC018475 | TEL : +91-80-49320000 | FAX : +9180 49320444 | www.sobha.com

# Walker Chandiook & Co LLP

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## **Independent Auditor's Review Report on Consolidated Unaudited Quarterly 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**

1. We have reviewed the accompanying statement of consolidated unaudited 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 (refer Annexure 1 for the list of subsidiaries, associate and joint venture included in the Statement) for the quarter ended 30 June 2023 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. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the Listing Regulation, to the extent applicable.



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



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4. Based on our review conducted and procedures performed as stated in paragraph 3 above and upon consideration of the review reports of the other auditors referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 6 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 ₹ 2,016.05 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, AA-PML has passed an order confirming the provisional attachment of aforesaid land parcels. Subsequent to 30 June 2023, the Holding Company has duly filed an appeal before The Appellate Tribunal against the AA-PML order under Section 26 of the PMLA. 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 ₹ 2,016.05 million land parcels is presently uncertain.

Our conclusion is not modified in respect of this matter.

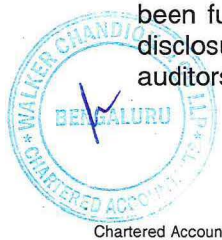
6. We draw attention to Note 10 to the accompanying Statement, regarding the search operation carried out by the Income Tax Department at various business premises of the Holding Company and certain other group companies during March 2023. As the Holding Company and certain other group companies have 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 quarter ended 30 June 2023 and the adjustments (if any) required to the accompanying Statement, is presently not ascertainable.

Our conclusion is not modified in respect of this matter.

7. We draw attention to Note 8 to the accompanying statement, which describes the restatements made to the comparative financial information for quarter ended 30 June 2022, 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 conclusion is not modified in respect of this matter.

8. We did not review the interim financial results of 18 subsidiaries included in the Statement, whose financial information reflect total revenues of ₹ 378.28 million, total net profit after tax of ₹ 88.69 million, total comprehensive income of ₹ 88.69 million, for the quarter ended 30 June 2023, as considered in the Statement. These interim financial results have been reviewed by other auditors whose review reports have been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the review reports of such other auditors and the procedures performed by us as stated in paragraph 3 above.



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Our conclusion 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.

9. The Statement also includes the Group's share of net profit after tax of ₹ Nil and total comprehensive income of ₹ Nil for the quarter ended 30 June 2023 in respect of 1 associate and 1 joint venture, based on their interim financial information, which have not been reviewed by their auditors, and have been furnished to us by the Holding Company's management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these associate and joint venture, are based solely on such unreviewed interim financial information. According to the information and explanations given to us by the management, these interim financial information are not material to the Group.

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

10. The review of unaudited consolidated quarterly financial results for the quarter ended 30 June 2022 included in the Statement was carried out and reported by B S R & Co. LLP, who has expressed unmodified conclusion vide their review report dated 09 August 2022 whose report has been furnished to us and which has been relied upon by us for the purpose of our review of the Statement.

Our conclusion 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: 23507000BGYETV5770

Bengaluru

07 August 2023





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## Annexure 1

### List of subsidiaries, associates and joint venture included in the Statement

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	Sobha Tambaram Developers Limited	Subsidiary
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



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<b>Statement of consolidated unaudited financial results for the quarter ended 30 June 2023</b>					
(₹ in million)					
	Particulars	3 months ended 30.06.2023 [Unaudited]	3 months ended 31.03.2023 [Refer Note 1]	Corresponding 3 months ended 30.06.2022 (*) [Unaudited]	Year ended 31.03.2023 [Audited]
1	<b>Income</b>				
	(a) Revenue from operations	9,079.13	12,099.32	5,646.02	33,101.14
	(b) Other income	313.31	302.13	117.05	923.19
	<b>Total income</b>	<b>9,392.44</b>	<b>12,401.45</b>	<b>5,763.07</b>	<b>34,024.33</b>
2	<b>Expenses</b>				
	(a) Land purchase and related cost	309.92	4,464.35	321.42	10,528.43
	(b) Cost of materials consumed	729.84	1,128.46	655.82	3,659.79
	(c) Purchase of project materials	2,602.40	3,453.60	926.92	9,554.69
	(d) Changes in purchase of project materials, land stock, work in progress and finished goods	937.83	(2,689.38)	(322.63)	(11,013.29)
	(e) Sub-contractor cost	1,893.11	2,051.63	1,688.72	8,291.69
	(f) Employee benefits expense	796.15	790.64	643.82	2,944.75
	(g) Finance cost	611.43	611.66	614.23	2,490.24
	(h) Depreciation and amortisation expense	182.77	178.77	146.59	678.37
	(i) Other expenses	1,156.12	1,742.38	1,003.71	5,439.91
	<b>Total expenses</b>	<b>9,219.57</b>	<b>11,732.11</b>	<b>5,678.60</b>	<b>32,574.58</b>
3	<b>Profit before tax and share of profit/(loss) in associate/joint venture (1-2)</b>	<b>172.87</b>	<b>669.34</b>	<b>84.47</b>	<b>1,449.75</b>
4	Share of profit / (loss) in associate / joint venture	-	-	-	-
5	<b>Profit before tax (3+4)</b>	<b>172.87</b>	<b>669.34</b>	<b>84.47</b>	<b>1,449.75</b>
6	<b>Tax expense</b>				
	(a) Current tax	114.75	236.31	31.63	360.46
	(b) Deferred tax (credit) / charge	(62.42)	(52.72)	7.35	47.24
	<b>Total tax expense</b>	<b>52.33</b>	<b>183.59</b>	<b>38.98</b>	<b>407.70</b>
7	<b>Profit for the period/year (5-6)</b>	<b>120.54</b>	<b>485.75</b>	<b>45.49</b>	<b>1,042.05</b>
8	<b>Other comprehensive income</b>				
	Items that will not be reclassified to profit or loss in subsequent periods:				
	Re-measurement gains / (losses) on defined benefit plan	3.59	(19.95)	10.52	(53.36)
	Income tax relating to above	(0.90)	5.02	(2.65)	13.43
	<b>Total other comprehensive income/(loss), net of tax</b>	<b>2.69</b>	<b>(14.93)</b>	<b>7.87</b>	<b>(39.93)</b>
9	<b>Total comprehensive income for the period / year (7+8)</b>	<b>123.23</b>	<b>470.82</b>	<b>53.36</b>	<b>1,002.12</b>
	<b>Profit attributable to:</b>				
	Owners	120.54	485.75	45.49	1,042.05
	Non-controlling interests	-	-	-	-
	<b>Other comprehensive income attributable to:</b>				
	Owners	2.69	(14.93)	7.87	(39.93)
	Non-controlling interests	-	-	-	-
	<b>Total comprehensive income attributable to:</b>				
	Owners	<b>123.23</b>	<b>470.82</b>	<b>53.36</b>	<b>1,002.12</b>
	Non-controlling interests	-	-	-	-
10	Paid-up equity share capital (Face value per share - ₹ 10)	948.46	948.46	948.46	948.46
11	Other equity				23,998.25
12	Earnings per share (EPS) - (in ₹) Basic and diluted EPS (not annualised for the quarters)	1.27	5.13	0.47	10.99

(\*) refer note 8



*Handwritten signature/initials.*





<b>SOBHA LIMITED</b> <b>Corporate Identity Number (CIN) : L45201KA1995PLC018475</b> 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
<b>Statement of consolidated unaudited financial results for the quarter ended 30 June 2023</b>

**Notes:**

- (1) The consolidated unaudited 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 ended 30 June 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 unaudited financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 7 August 2023.

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

- (2) The Statutory auditors of the Holding Company have carried out a limited review as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 of the above consolidated unaudited financial results for the quarter ended 30 June 2023 and have issued an unmodified review report.
- (3) The quarter ended financial results are available on the Holding 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)).

**(4) 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:

	Particulars	3 months ended 30.06.2023 [Unaudited]	3 months ended 31.03.2023 [Refer Note 1]	Corresponding 3 months ended 30.06.2022 (*) [Unaudited]	Year ended 31.03.2023 [Audited]
I	<b>Segment revenue</b>				
	Real estate	7,410.01	9,595.94	4,561.05	25,372.14
	Contractual and manufacturing	1,968.56	2,887.85	1,424.52	9,331.00
	<b>Total</b>	<b>9,378.57</b>	<b>12,483.79</b>	<b>5,985.57</b>	<b>34,703.14</b>
	Less: Inter segment revenues	(299.44)	(384.47)	(339.55)	(1,602.00)
	<b>Net revenue from operations</b>	<b>9,079.13</b>	<b>12,099.32</b>	<b>5,646.02</b>	<b>33,101.14</b>
II	<b>Segment results</b>				
	Real estate	1,239.01	1,757.55	1,262.06	5,872.01
	Contractual and manufacturing	42.47	(79.63)	0.61	(45.34)
	<b>Profit before other adjustments</b>	<b>1,281.48</b>	<b>1,677.92</b>	<b>1,262.67</b>	<b>5,826.67</b>
	Less: Finance cost	(611.43)	(611.66)	(614.23)	(2,490.24)
	Less: Other unallocable expenditure	(599.38)	(651.93)	(615.20)	(2,527.68)
	Add: Unallocable finance and other income	102.20	255.01	51.23	641.00
	<b>Profit before tax</b>	<b>172.87</b>	<b>669.34</b>	<b>84.47</b>	<b>1,449.75</b>
III	<b>Segment assets (#)</b>				
	Real estate	107,940.51	104,150.24	93,042.11	104,150.24
	Contractual and manufacturing	8,321.40	6,518.76	7,610.39	6,518.76
	Unallocated assets	12,164.10	15,213.43	13,323.99	15,213.43
	<b>Total assets</b>	<b>128,426.01</b>	<b>125,882.43</b>	<b>113,976.49</b>	<b>125,882.43</b>
IV	<b>Segment liabilities (#)</b>				
	Real estate	70,464.34	67,876.00	59,770.60	67,876.00
	Contractual and manufacturing	5,576.24	6,239.00	3,057.51	6,239.00
	Unallocated liabilities	27,315.49	26,820.72	26,944.27	26,820.72
	<b>Total liabilities</b>	<b>103,356.07</b>	<b>100,935.72</b>	<b>89,772.38</b>	<b>100,935.72</b>

(\*) refer note 8

(#) Capital employed = Segment assets - Segment liabilities

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

Particulars	3 months ended 30.06.2023 [Unaudited]	3 months ended 31.03.2023 [Refer Note 1]	Corresponding 3 months ended 30.06.2022 (*) [Unaudited]	Year ended 31.03.2023 [Audited]
Total income	9,228.88	12,524.75	5,848.77	34,258.65
Profit before tax	121.69	625.81	19.76	1,317.10
Profit for the period/ year	80.23	439.49	8.26	952.89

(\*) refer note 8





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

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**Statement of consolidated unaudited financial results for the quarter ended 30 June 2023**

- (6) 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 (HDRUA), 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 ₹ 2,016.05 million, 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.

During the previous quarter, the Holding Company was in receipt of Show Cause Notice (SCN) under the PMLA from AA-PML and the Holding Company had duly filed detailed responses to allegations made in SCN. During the current quarter, AA-PMLA has passed an order confirming the provisional attachment of the aforesaid land parcels. Subsequent to 30 June 2023, the Holding Company has duly filed an appeal before The Appellate Tribunal against the AA-PML order under Section 26 of the PMLA.

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 30 June 2023 or for earlier periods including the recoverability of land advance given against such provisionally attached ₹ 2,016.05 million land parcels held through TDPL.

- (7) During the previous year, 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 ₹ 2,956.13 million in addition to forfeiture of ₹ 227.32 million performance guarantee and ₹ 26.00 million of deposits alleging that SAPL has not commenced the contract work. The carrying value of aforesaid project related assets/receivables as at 30 June 2023 is ₹ 354.10 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.
- (8) 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 period is as follows:

<b>Impact on Statement of consolidated audited financial results</b>		<b>(₹ in million)</b>
<b>Particulars</b>	<b>Note</b>	<b>3 months ended 30.06.2022 [Unaudited]</b>
Revenue from operations	(i), (ii), (iv)	(169.72)
Other income	(iv)	(18.62)
<b>Total income</b>		<b>(188.34)</b>
Changes in purchase of project materials, land stock, work in progress and finished goods	(i), (ii), (iii)	1,227.55
Employee benefits expense	(iv)	58.55
Finance cost	(i), (iii)	(1,282.66)
Depreciation and amortization expense	(iv)	(12.02)
Other expenses	(iv)	(48.86)
<b>Total expenses</b>		<b>(57.44)</b>
<b>Profit before tax</b>		<b>(130.90)</b>
Deferred tax credit	(i), (ii), (iii), (iv)	(40.45)
<b>Total comprehensive income for the period</b>		<b>(90.45)</b>





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<b>Statement of consolidated unaudited financial results for the quarter ended 30 June 2023</b>

**Restatement in the earning per share**

Particulars	3 months ended 30.06.2022
Earning per equity share (face value ₹ 10 Each)	
Earnings per share (EPS) - (in ₹) - Reported	1.44
Earnings per share (EPS) - (in ₹) - Restated	0.47

- (9) 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 previous year, 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.
- (10) 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 requiring the management to re-file the Income Tax return for AY 2016-17, to which the management has responded.

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.

- (11) Previous period's / year's figures have been regrouped or reclassified wherever necessary to conform with the current period / year figures. The impact of such reclassification / regrouping is not material to the consolidated financial results.

Bengaluru  
7 August 2023



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

*Jagadish*

Jagadish Nangineni  
Managing Director



# Walker Chandiook & Co LLP

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**Walker Chandiook & Co LLP**  
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## **Independent Auditor's Review Report on Standalone Unaudited Quarterly 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**

1. We have reviewed the accompanying statement of standalone unaudited financial results ('the Statement') of Sobha Limited ('the Company') for the quarter ended 30 June 2023, 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. The Statement, which is the responsibility of the Company's management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing specified under section 143(10) of the Act, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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Chartered Accountants

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

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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



# Walker ChandioK & Co LLP

4. Based on our review conducted as above and the consideration of the review reports of the other auditors of the partnership firm referred to in paragraph 8 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34, prescribed under section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw attention to Note 5 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 ₹ 2,016.05 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, AA-PML has passed an order confirming the provisional attachment of aforesaid land parcels. Subsequent to 30 June 2023, the Company has duly filed an appeal before The Appellate Tribunal against the AA-PML order under Section 26 of the PMLA. 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 ₹ 2,016.05 million land parcels is presently uncertain.

Our conclusion is not modified in respect of this matter.

6. We draw attention to Note 9 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 quarter ended 30 June 2023 and the adjustments (if any) required to the accompanying Statement, is presently not ascertainable.

Our conclusion is not modified in respect of this matter.

7. We draw attention to Note 7 to the accompanying Statement, which describes the restatements made to the comparative financial information for the quarter ended 30 June 2022, 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 conclusion is not modified in respect of this matter.



# Walker Chandiok & Co LLP

8. The Statement includes the Company's share of net profit after tax of ₹ 16.28 million and total comprehensive income of ₹ 16.28 million for the quarter ended 30 June 2023 in respect of one partnership firm, whose interim financial information have not been reviewed by us. This interim financial information has been reviewed by another auditor whose review report has been furnished to us by the management, and our conclusion in so far as it relates to the amounts and disclosures included in respect of such partnership firm is based solely on the review report of such other auditor.

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

9. The review of standalone unaudited quarterly financial results for the quarter ended 30 June 2022, included in the Statement was carried out and reported by B S R & Co. LLP, who has expressed unmodified conclusion vide their review report dated 09 August 2022, whose reports have been furnished to us and which has been relied upon by us for the purpose of our review of the Statement.

Our conclusion 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: 23507000BGYETU1608



Bengaluru

07 August 2023



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 standalone unaudited financial results for the quarter ended 30 June 2023					
(₹ in million)					
	Particulars	3 months ended 30.06.2023 [Unaudited]	3 months ended 31.03.2023 [Refer Note 1]	Corresponding 3 months ended 30.06.2022 (*) [Unaudited]	Year ended 31.03.2023 [Audited]
1	<b>Income</b>				
	(a) Revenue from operations	8,890.17	12,194.80	5,708.96	33,280.86
	(b) Other income	338.71	329.95	139.81	977.79
	<b>Total income</b>	<b>9,228.88</b>	<b>12,524.75</b>	<b>5,848.77</b>	<b>34,258.65</b>
2	<b>Expenses</b>				
	(a) Land purchase and related cost	255.12	4,202.40	291.56	10,493.24
	(b) Cost of materials consumed	729.84	1,128.56	655.62	3,659.79
	(c) Purchase of project materials	2,592.57	3,428.36	1,032.20	9,491.24
	(d) Changes in purchase of project materials, land stock, work in progress and finished goods	960.03	(2,010.55)	(127.17)	(9,955.85)
	(e) Sub-contractor cost	1,909.21	1,922.80	1,666.14	8,100.68
	(f) Employee benefits expense	796.05	790.64	643.82	2,944.75
	(g) Finance cost	595.49	595.61	590.40	2,423.80
	(h) Depreciation and amortisation expense	173.07	168.85	129.42	638.71
	(i) Other expenses	1,095.81	1,672.27	947.02	5,145.19
	<b>Total expenses</b>	<b>9,107.19</b>	<b>11,898.94</b>	<b>5,829.01</b>	<b>32,941.55</b>
3	<b>Profit before tax (1-2)</b>	<b>121.69</b>	<b>625.81</b>	<b>19.76</b>	<b>1,317.10</b>
4	<b>Tax expense</b>				
	(a) Current tax	88.64	233.47	10.81	300.31
	(b) Deferred tax (credit) / charge	(47.18)	(47.15)	0.69	63.90
	<b>Total tax expense</b>	<b>41.46</b>	<b>186.32</b>	<b>11.50</b>	<b>364.21</b>
5	<b>Profit for the period/year (3-4)</b>	<b>80.23</b>	<b>439.49</b>	<b>8.26</b>	<b>952.89</b>
6	<b>Other comprehensive income</b>				
	Items that will not be reclassified to profit or loss in subsequent periods:				
	Re-measurement gains / (losses) on defined benefit plan	3.59	(19.95)	10.52	(53.36)
	Income tax relating to above	(0.90)	5.02	(2.65)	13.43
	<b>Total other comprehensive income/(loss), net of tax</b>	<b>2.69</b>	<b>(14.93)</b>	<b>7.87</b>	<b>(39.93)</b>
7	<b>Total comprehensive income for the period/year (5+6)</b>	<b>82.92</b>	<b>424.56</b>	<b>16.13</b>	<b>912.96</b>
8	Paid-up equity share capital	948.46	948.46	948.46	948.46
9	Other equity				22,462.22
10	Earnings per share (EPS) - (in ₹)				
	Basic and diluted EPS (not annualised for the quarters)	0.85	4.64	0.09	10.05

(\*) refer note 7



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<p align="center"><b>SOBHA LIMITED</b>  <b>Corporate Identity Number (CIN) : L45201KA1995PLC018475</b>  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</p>	
<b>Statement of standalone unaudited financial results for the quarter ended 30 June 2023</b>	

**Notes :**

- (1) The standalone unaudited financial results, for the quarter ended 30 June 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 unaudited financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their meeting held on 7 August 2023.

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

- (2) The Statutory auditors of the Company have carried out a limited review as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 of the above standalone unaudited financial results for the quarter ended 30 June 2023 and have issued an unmodified review report.
- (3) The quarter 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)).
- (4) **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:

		(₹ in million)			
	Particulars	3 months ended 30.06.2023 [Unaudited]	3 months ended 31.03.2023 [Refer Note 1]	Corresponding 3 months ended 30.06.2022 (*) [Unaudited]	Year ended 31.03.2023 [Audited]
I	<b>Segment revenue</b>				
	Real estate	7,139.86	9,511.43	4,312.10	24,542.91
	Contractual and manufacturing	2,049.75	3,067.84	1,735.37	10,339.95
	<b>Total</b>	<b>9,189.61</b>	<b>12,579.27</b>	<b>6,047.47</b>	<b>34,882.86</b>
	Less: Inter segment revenues	(299.44)	(384.47)	(338.51)	(1,602.00)
	<b>Net revenue from operations</b>	<b>8,890.17</b>	<b>12,194.80</b>	<b>5,708.96</b>	<b>33,280.86</b>
II	<b>Segment results</b>				
	Real estate	1,042.44	1,649.47	1,116.71	5,441.86
	Contractual and manufacturing	100.74	(58.90)	32.71	131.10
	<b>Profit before other adjustments</b>	<b>1,143.18</b>	<b>1,590.57</b>	<b>1,149.42</b>	<b>5,572.96</b>
	Less: Finance cost	(595.49)	(595.61)	(590.40)	(2,423.80)
	Less: Other unallocable expenditure	(553.60)	(652.26)	(613.30)	(2,528.01)
	Add: Share of profit in a subsidiary partnership firm	16.28	13.93	15.84	19.06
	Add: Unallocable finance and other income	111.32	269.18	58.20	676.89
	<b>Profit before tax</b>	<b>121.69</b>	<b>625.81</b>	<b>19.76</b>	<b>1,317.10</b>
III	<b>Segment assets (#)</b>				
	Real estate	102,041.38	99,713.48	88,351.21	99,713.48
	Contractual and manufacturing	8,451.27	6,518.76	9,092.12	6,518.76
	Unallocated assets	12,130.95	15,087.42	12,422.19	15,087.42
	<b>Total assets</b>	<b>122,623.60</b>	<b>121,319.66</b>	<b>109,865.52</b>	<b>121,319.66</b>
IV	<b>Segment liabilities (#)</b>				
	Real estate	66,132.92	64,975.03	54,660.23	64,975.03
	Contractual and manufacturing	5,611.63	6,239.37	3,825.12	6,239.37
	Unallocated liabilities	27,384.95	26,694.58	26,943.95	26,694.58
	<b>Total liabilities</b>	<b>99,129.50</b>	<b>97,908.98</b>	<b>85,429.30</b>	<b>97,908.98</b>

(\*) refer note 7

(#) Capital employed = Segment assets - Segment liabilities



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

Regd. Office: 'SOBHA', Sarjapur – Marathahalli Outer Ring Road (ORR), Devārabisanahalli, Bellandur Post, Bengaluru - 560 103

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Website: www.sobha.com

**Statement of standalone unaudited financial results for the quarter ended 30 June 2023**

- (5) 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 (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 ₹ 2,016.05 million, 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.

During the previous quarter, the Company was in receipt of Show Cause Notice (SCN) under the PMLA from AA-PML and the Company had duly filed detailed responses to allegations made in SCN. During the current quarter, AA-PMLA has passed an order confirming the provisional attachment of the aforesaid land parcels. Subsequent to 30 June 2023, the Company has duly filed an appeal before The Appellate Tribunal against the AA-PML order under Section 26 of the PMLA.

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 30 June 2023 or for earlier periods including the recoverability of land advance given against such provisionally attached ₹ 2,016.05 million land parcels held through TDPL.

- (6) During the previous year, 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 ₹ 2,956.13 million in addition to forfeiture of ₹ 227.32 million performance guarantee and ₹ 26.00 million of deposits alleging that SAPL has not commenced the contract work. The carrying value of aforesaid project related assets/receivables as at 30 June 2023 in the book of the Company and SAPL is ₹ 24.10 million and ₹ 330.00 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.
- (7) 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 is as follows:

<b>Impact on Statement of standalone audited financial results</b>		<b>(₹ in million)</b>
<b>Particulars</b>	<b>Note</b>	<b>3 months ended 30.06.2022 [Unaudited]</b>
Revenue from operations	(i), (ii), (iv)	(163.35)
Other income	(iv)	(18.62)
<b>Total income</b>		<b>(181.97)</b>
Changes in purchase of project materials, land stock, work in progress and finished goods	(i), (ii), (iii)	1,227.77
Employee benefits expense	(iv)	58.55
Finance cost	(i), (iii)	(1,246.66)
Depreciation and amortization expense	(iv)	(12.29)
Other expenses	(iv)	(48.86)
<b>Total expenses</b>		<b>(21.49)</b>
<b>Profit before tax</b>		<b>(160.48)</b>
Deferred tax credit	(i), (ii), (iii), (iv)	(39.95)
<b>Total comprehensive income for the period</b>		<b>(120.53)</b>





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<b>Statement of standalone unaudited financial results for the quarter ended 30 June 2023</b>	

**Restatement in the earning per share**

Particulars	3 months ended 30.06.2022
Earning per equity share (face value ₹ 10 Each)	
Earnings per share (EPS) - (in ₹) - Reported	1.36
Earnings per share (EPS) - (in ₹) - Restated	0.09

- (8) 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 previous year, 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.
- (9) 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 requiring the management to re-file the Income Tax return for AY 2016-17, to which the management has responded.

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.

- (10) Previous period's / year's figures have been regrouped or reclassified wherever necessary to conform with the current period / year figures. The impact of such reclassification / regrouping is not material to the standalone financial results.

Bengaluru  
7 August 2023

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

*Jagadish*

Jagadish Nangineni  
Managing Director

