



**Independent Auditor's Report**

**To the Members of Sobha Construction Products Private Limited**

**Report on the audit of Financial Statements**

**Opinion**

I have audited the accompanying financial statements of Sobha Construction Products Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement and for the year then ended and notes to the financial statements including a summary of the significant accounting policies and other explanatory information. (Hereinafter referred to as the 'financial statements').

In my opinion and to the best of my information and according to the explanations given to me, the aforesaid financial statements give the information required by the Companies Act, 2013 ["the Act"], in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2025, its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

I conducted my audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. My responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to my audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and I have fulfilled my other ethical responsibilities in accordance with these requirements and the Code of Ethics. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion on the financial statements.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

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

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





## **Responsibilities of Management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

## **Auditors' Responsibility for the Audit of Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, I am also responsible for expressing my opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.





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

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

I communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those management with a statement that I 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 my independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on my audit, I report that:
  - a) I have sought and obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit;
  - b) In my opinion, proper books of account as required by law have been kept by the Company so far as appears from my examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash flows dealt with by this report are in agreement with the books of account;
  - d) In my opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
  - e) On the basis of the written representations received from the directors of the Company as on March 31, 2025 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate report in Annexure "B". My report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In my opinion and to the best of my information and according to the explanations given to me, the provisions of section 197 of the Companies Act 2013 are not applicable to the Company.

- h) With respect to the other matters to be included in the auditors' report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in my opinion and to the best of my information and according to the explanations given to me:

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





- ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

- iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. As stated in Note to the financial statement

- a) There was no dividend which has been proposed in the previous year, declared and paid by the company during the year.
- b) The Board of Directors of the Company has not proposed any dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting.

- vi. Based on my examination, which included test checks, the Company has used accounting software systems for maintaining its books of account for the financial year ended March 31, 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of my audit I did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, I give in Annexure "B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For Garisenuru & Co  
Chartered Accountant  
Firms Registration No.018666S



*Subba Reddy G*  
Subba Reddy G  
Proprietor  
Membership No.244907  
UDIN: 25244907BMRKDM8975

Place: Bengaluru  
Date: 08.05.2025



## **Annexure – “A” to the Independent Auditors’ Report**

(Referred to in Paragraph 1(f) under “Report on Other legal and regulatory requirements” section of my report to the members of Sobha Construction Products Private Limited of even date).

### **Report on the Internal Financial Controls over Financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

I have audited the internal financial controls with reference to financial statements of Sobha Construction Products Private Limited (the “Company”) as of 31<sup>st</sup> March 2025 in conjunction with my audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s Board of Directors is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “ICAI”). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors’ Responsibility**

My responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

My audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. My audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion on the Company’s internal financial controls system over financial reporting with reference to financial statements.

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding





prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls with reference to Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In my opinion, to the best of my information and according to the explanations given to me, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2025, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.



For Garisenuru & Co,  
Chartered Accountant  
Firms Registration No.018666S

*Subba Reddy G*  
Subba Reddy G  
Proprietor  
Membership No.244907  
UDIN: 25244907BMRKDM8975

Place: Bengaluru  
Date: 08.05.2025

## Annexure – “B” to the Independent Auditors’ Report

(Referred to in Paragraph 2 under “Report on Other legal and regulatory requirements” section of my report to the members of Sobha Construction Products Private Limited of even date).

To the best of my information and according to the explanations provided to me by the Company and the books of account and records examined by me in the normal course of audit, I state that:

- i) The Company has no fixed assets as on the date of the Balance Sheet and hence provisions of Clause 3(i)(a) to 3(i)(e) are not applicable to the Company;
- ii) In respect of its inventories:
  - a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the Order is not applicable.
  - b) The Company has not been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate, at any points of time during the year, from banks or financial institutions on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the Order is not applicable.
- iii) The company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties including promoters and related parties during the financial year and hence sub-clauses (a) to (f) of clause 3(iii) of the Order are not applicable to the company.
- iv) The Company has not granted loans or made investments or provided guarantees and securities during the year and hence compliance with Section 185 and Section 186 are not applicable.
- v) The company has not accepted any deposits from the public or amounts which are deemed to be deposits during the year to which directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act are applicable and as such clause 3(v) of the Order is not applicable.
- vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 for the business activities carried out by the Company. Hence, reporting under clause (vi) of the Order is not applicable to the Company.
- vii) According to the information and explanations given to me during the course of the audit and on the basis of my examination of the records of the company in respect of the statutory dues:
  - a. The company is regular in depositing undisputed statutory dues including Goods and service Tax, Provident Fund, Employees’ State insurance, Income tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues with the appropriate authorities during the year.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees’ State Insurance, Income Tax, Sales Tax, Service Tax, duty of Custom, duty of Excise, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.
  - b. According to the information and explanations given to me during the course of the audit, there were no disputed statutory dues that have not been deposited on account of dispute. Hence provisions of Clause 3(vii)(b) are not applicable to the Company.
- viii) During the year there were no transactions not recorded in the books of account that have been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 and hence Clause 3(viii) of the Order for reporting whether the previously unrecorded income has been properly recorded in the books of account during the year is not applicable.





- ix) a) The Company has not taken any loans or other borrowings from any lender. Hence reporting under clause 3(ix)(a) of the Order is not applicable.
- b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- d) On an overall examination of the financial statements of the company, funds raised on short-term basis have, prima facie, not been used during the year for long term purposes by the company.
- e) The company does not have any subsidiaries, associates or joint ventures and hence reporting on the funds taken by the company from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures does not arise.
- f) The company does not have any subsidiaries, associates or joint ventures and hence reporting on the loans raised by the company during the year on the pledge of securities held in its subsidiaries, associates or joint ventures does not arise.
- x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally convertible) and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi) (a) To the best of my knowledge and belief and according to the information and explanations given to me during the course of the audit no fraud by the Company or any fraud on the Company has been noticed or reported during the year.
- (b) To the best of my knowledge and belief and according to the information and explanations given to me during the course of the audit, no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.
- (c) As represented to me by the management and on the basis of my audit procedures there are no whistle blower complaints received by the company during the year.
- xii) The Company is not a Nidhi Company and hence reporting under sub clauses (a) to (c) of clause 3(xii) of the Order is not applicable.
- xiii) In my opinion according to the information and explanations provided to me and based on my examination of the records of the company, the Company is not required to appoint Audit Committee as per the Section 177 of the Act. The Company is in compliance with Section 188 of the Companies Act, 2013 with respect to applicable transactions with the related parties and the details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) The Company does not require to appoint an internal auditor as per Section 138 of the Companies Act read with Rule 13 of the Companies (Accounts) Rules, 2014 and hence reporting under Clause 3 (xiv) (a) to (b) are not applicable. Further, I am of the opinion that the company has an internal audit system commensurate with the size of the Company and the nature of its business.
- xv) According to the information and explanations given to me during the course of the audit and based on my examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence provisions of section 192 of the Companies Act 2013 are not applicable and accordingly clause 3(xv) of the Order is not applicable.





- xvi) a) According to the information and explanations given to me during the course of the audit and on the basis of my examination of the financial statements of the company in my opinion the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.
- b) In my opinion on the basis of my examination of the financial statements and representations made by the company, it has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- c) According to the information and explanations given to me during the course of the audit and on the basis of my examination of the financial statements of the company and representations made by the company, in my opinion the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- d) According to the information and explanations given to me during the course of the audit and as represented to me by the company in my opinion, there is no core investment company within Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.
- xvii) The company has not incurred cash losses during the financial year covered by my audit and the immediately preceding financial year.
- xviii) There has been no resignation of Statutory Auditors of the Company during the year and accordingly reporting under clause 3(xviii) is not applicable.
- xix) According to the information and explanations given to me during the course of the audit and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, my knowledge of the Board of Directors and Management plans and based on my examination of the evidence supporting the assumptions, nothing has come to my attention, which causes me to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. I, however, state that this is not an assurance as to the future viability of the Company. I further state that my reporting is based on the facts up to the date of the audit report and I neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) As per information and explanations given to me during the course of the audit and based on my examination of the financials of the company, the company is not required to spend any amount towards Corporate Social Responsibility (CSR) as per the provisions of Section 135 of Companies Act, 2013 and accordingly, reporting under clause 3(xx)(a) and (b) of the Order are not applicable for the year.

For Garisenuru & Co  
Chartered Accountant

Firms Registration No.018666S



Subba Reddy G  
Proprietor

Membership No.244907

UDIN: 25244907BMRKDM8975

Place: Bengaluru  
Date: 08.05.2025



**Sobha Construction Products Private Limited**  
**CIN No. U36999KA2019PTC129428**  
**Balance sheet as at March 31, 2025**

|   | Notes | As at<br>31-Mar-25<br>₹ million | As at<br>31-Mar-24<br>₹ million |
|---|-------|---------------------------------|---------------------------------|
| <b>Assets</b>   |       |                                 |                                 |
| <b>Non- current assets</b>  |       |                                 |                                 |
| Liabilities for current tax assets (net)  |       | 0.006                           | 0.059                           |
|   |       | <b>0.006</b>                    | <b>0.059</b>                    |
| <b>Current assets</b>   |       |                                 |                                 |
| Financial assets  |       |                                 |                                 |
| Cash and cash equivalents   | 4     | 0.979                           | 0.352                           |
| Bank balance other than cash and cash equivalents                                       | 5     | 10.800                          | 10.800                          |
|   |       | <b>11.779</b>                   | <b>11.152</b>                   |
| <b>Total assets</b>   |       | <b>11.785</b>                   | <b>11.211</b>                   |
| <b>Equity and liabilities</b>   |       |                                 |                                 |
| <b>Equity</b>   |       |                                 |                                 |
| Equity share capital  | 6     | 10.000                          | 10.000                          |
| Other equity  | 7     | 1.764                           | 1.204                           |
| <b>Total equity</b>   |       | <b>11.764</b>                   | <b>11.204</b>                   |
| <b>Current liabilities</b>  |       |                                 |                                 |
| Financial liabilities   |       |                                 |                                 |
| Trade payables  |       |                                 |                                 |
| -Total outstanding dues of micro enterprises and small enterprises; and                 |       | -                               | -                               |
| -Total outstanding dues of creditors other than micro enterprises and small enterprises |       | -                               | -                               |
| Other current liabilities   | 8     | 0.021                           | 0.007                           |
|   |       | <b>0.021</b>                    | <b>0.007</b>                    |
| <b>Total liabilities</b>  |       | <b>0.021</b>                    | <b>0.007</b>                    |
| <b>Total equity and liabilities</b>   |       | <b>11.785</b>                   | <b>11.211</b>                   |
| Summary of significant accounting policies  | 2     |                                 |                                 |

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

For Garisenuru & Co  
ICAI Firm registration number: 018666S  
Chartered Accountants  
**Sobha Reddy G**  
Proprietor  
Membership No.: 244907

Place: Bengaluru, India  
Date -08-05-2025

For and on behalf of the Board of Directors of  
Sobha Construction Products Private Limited

**V. Lakshmanan**  
Venkatesan Lakshmanan  
Director  
DIN: 10538781

**Akhil Parameswaran**  
Akhil Parameswaran  
Director  
DIN: 09040303

Place: Bengaluru, India  
Date -08-05-2025

UDIN: 252449078MRkDM8975



**Sobha Construction Products Private Limited**  
**CIN No. U36999KA2019PTC129428**  
**Statement of profit and loss for the year ended March 31, 2025**

|  | Notes | for the year ended<br>31-Mar-25<br>₹ million | for the year ended<br>31-Mar-24<br>₹ million |
|--|-------|--|--|
| Finance income   | 9     | 0.776  | 0.745  |
| <b>Total income</b>  |       | <b>0.776</b>                                 | <b>0.745</b>                                 |
| <b>Expenses</b>  |       |  |  |
| Other expenses   | 10    | 0.029  | 0.025  |
| <b>Total expenses</b>  |       | <b>0.029</b>                                 | <b>0.025</b>                                 |
| <b>Profit before tax</b>   |       | <b>0.747</b>                                 | <b>0.720</b>                                 |
| Tax expenses   |       |  |  |
| Current tax  |       | 0.187  | 0.169  |
| Tax relating to prior years  |       | -  | (0.011)                                      |
| <b>Income tax expense</b>  |       | <b>0.187</b>                                 | <b>0.158</b>                                 |
| <b>Profit for the year</b>   |       | <b>0.560</b>                                 | <b>0.562</b>                                 |
| <b>Other comprehensive income for the year, net of tax</b>                           |       | <b>-</b>                                     | <b>-</b>                                     |
| <b>Total comprehensive income for the year attributable to owners of the Company</b> |       | <b>0.560</b>                                 | <b>0.562</b>                                 |

Earnings per equity share [nominal value of ₹ 10 (Previous year - ₹ 10)]

Basic and Diluted [in Rs.]

16

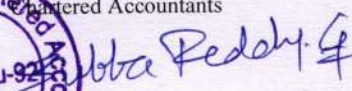
0.560

0.562

Summary of significant accounting policies

2

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

For Garisenuru & Co  
ICAI Firm registration number: 018666S  
Chartered Accountants  
  
Suresh Reddy G  
Proprietor  
Membership No.: 244907

For and on behalf of the Board of Directors of  
Sobha Construction Products Private Limited

  
Venkatesan Lakshmanan  
Director  
DIN: 10538781

  
Akhil Parameswaran  
Director  
DIN: 09040303

Place: Bengaluru, India  
Date -08-05-2025

Place: Bengaluru, India  
Date -08-05-2025

UDIN: 25244 907 BMRkDM8975



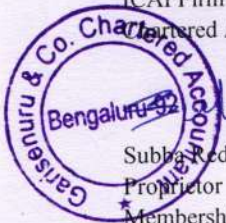
**Sobha Construction Products Private Limited**  
**Statement of Cash Flows for the year ended March 31, 2025**

|  | Notes    | 31-Mar-25<br>₹ million | 31-Mar-24<br>₹ million |
|--|----------|------------------------|------------------------|
| <b>Operating activities</b>  |          |                        |                        |
| <b>Profit before tax</b>   |          | 0.747                  | 0.720                  |
| <i>Adjustments to reconcile profit before tax to net cash flows:</i>                                     |          |                        |                        |
| Finance income (including fair value change in financial instruments)                                    |          | (0.776)                | (0.745)                |
| <i>Working capital adjustments:</i>  |          |                        |                        |
| Increase/ (decrease) in other non-financial liabilities  |          | 0.014                  | -                      |
|  |          | (0.015)                | (0.025)                |
| Income tax paid (net of refund)  |          | (0.134)                | (0.185)                |
| <b>Net cash flows from/ (used in) operating activities (A)</b>   |          | <b>(0.149)</b>         | <b>(0.210)</b>         |
| <b>Investing activities</b>  |          |                        |                        |
| (Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net |          | -                      | (0.500)                |
| Interest received  |          | 0.776                  | 0.745                  |
| <b>Net cash flows from/ (used in) investing activities (B)</b>   |          | <b>0.776</b>           | <b>0.245</b>           |
| <b>Financing activities</b>  |          |                        |                        |
| <b>Net cash flows from/ (used in) financing activities (C)</b>   |          | <b>-</b>               | <b>-</b>               |
| Net increase/ (decrease) in cash and cash equivalents (A+B+C)  |          | 0.627                  | 0.035                  |
| Cash and cash equivalents at the beginning of the year   | 4        | 0.352                  | 0.317                  |
| <b>Cash and cash equivalents at the end of the year</b>  | <b>4</b> | <b>0.979</b>           | <b>0.352</b>           |

Summary of significant accounting policies 2

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

For Garisenuru & Co  
ICAI Firm registration number: 018666S  
Chartered Accountants



Subba Reddy G  
Proprietor  
Membership No.: 244907

Place: Bengaluru, India  
Date -08-05-2025

For and on behalf of the Board of Directors of  
Sobha Construction Products Private Limited

V. Lakshmanan  
Venkatesan Lakshmanan  
Director  
DIN: 10538781

Akhil Parameswaran  
Akhil Parameswaran  
Director  
DIN: 09040303

Place: Bengaluru, India  
Date -08-05-2025

UDIN: 25244907 BMRKDM8975



Sobha Construction Products Private Limited  
CIN No. U36999KA2019PTC129428  
Statement of Changes in Equity for the year ended March 31, 2025

**A. Equity Share Capital**

(1) Current reporting period

₹ million

| Balance at the beginning of the current reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the current reporting period | Changes in equity share capital during the current year | Balance at the end of the current reporting period |
|--|--|---|---|--|
| Number of Shares      Amount                             |  |   |   | Number of Shares      Amount                       |
| 10,00,000      10.000                                    | -  | -   | -   | 10,00,000      10.000                              |

(2) Previous reporting period

₹ million

| Balance at the beginning of the previous reporting period | Changes in Equity Share Capital due to prior period errors | Restated balance at the beginning of the previous reporting period | Changes in equity share capital during the previous year | Balance at the end of the previous reporting period |
|---|--|--|--|---|
| Number of Shares      Amount                              |  |  |  | Number of Shares      Amount                        |
| 10,00,000      10.000                                     | -  | -  | -  | 10,00,000      10.000                               |

**B. Other Equity**

(1) Current reporting period

₹ million

|   | Reserves and Surplus |                                 |                   | Total |
|---|----------------------|---------------------------------|-------------------|-------|
|   | Securities Premium   | Other Reserves (specify nature) | Retained Earnings |       |
| Balance at the beginning of the current reporting period          | -                    | -                               | 1.204             | 1.204 |
| Changes in accounting policy or prior period errors               | -                    | -                               | -                 | -     |
| Restated balance at the beginning of the current reporting period | -                    | -                               | -                 | -     |
| Total Comprehensive Income for the current year                   | -                    | -                               | -                 | -     |
| Dividends   | -                    | -                               | -                 | -     |
| Transfer to retained earnings                                     | -                    | -                               | 0.560             | 0.560 |
| Any other change (to be specified)                                | -                    | -                               | -                 | -     |
| Balance at the end of the current reporting period                | -                    | -                               | 1.764             | 1.764 |

(2) Previous reporting period

₹ million

|  | Reserves and Surplus |                                 |                   | Total |
|--|----------------------|---------------------------------|-------------------|-------|
|  | Securities Premium   | Other Reserves (specify nature) | Retained Earnings |       |
| Balance at the beginning of the previous reporting period          | -                    | -                               | 0.642             | 0.642 |
| Changes in accounting policy or prior period errors                | -                    | -                               | -                 | -     |
| Restated balance at the beginning of the previous reporting period | -                    | -                               | -                 | -     |
| Total Comprehensive Income for the previous year                   | -                    | -                               | -                 | -     |
| Dividends  | -                    | -                               | -                 | -     |
| Transfer to retained earnings                                      | -                    | -                               | 0.562             | 0.562 |
| Any other change (to be specified)                                 | -                    | -                               | -                 | -     |
| Balance at the end of the previous reporting period                | -                    | -                               | 1.204             | 1.204 |

Summary of significant accounting policies

2

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

For Garisenuru & Co

ICAI Firm registration number: 018666S  
Chartered Accountants

Sobha Reddy G

Subba Reddy G

Proprietor

Membership No.: 244907

Place: Bengaluru, India

Date -08-05-2025

For and on behalf of the Board of Directors of  
Sobha Construction Products Private Limited

V. Lakshmanan

Venkatesan Lakshmanan

Director

DIN: 10538781

Place: Bengaluru, India

Date -08-05-2025

Akhil Parameswaran

Director

DIN: 09040303

UDIN: 25244907BMRKDM8975



## **1 Corporate Information**

Sobha Construction Products Private Limited ('Company') was incorporated on 07-11-2019. The Company is primarily engaged in manufacturing, processing of all sorts of minor minerals and construction related goods.

The Company is a private limited Company domiciled in India and incorporated under the provisions of the Indian Companies Act. The registered office is located at Bengaluru. Its a fully owned subsidiary of Sobha Limited, a listed company in the real estate sector and having its registered office at Bengaluru.

## **2 Significant accounting policies**

### **2.1 Basis of preparation**

The financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time).

The financial statements have been prepared on the historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- ▶ Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The financial statements are presented in INR and all values are rounded to the nearest millions, except when otherwise indicated.

### **2.2 Summary of significant accounting policies**

#### **a) Revenue recognition**

##### **i. Revenue from contracts with customers**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts, credits, concessions and incentives, if any, as specified in the contract with the customer. The Company presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

##### **ii. Recognition of revenue from manufacturing division**

Revenue from sale of materials is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer which coincides with dispatch of goods to the customers. Service income is recognised on the basis of completion of a physical proportion of the contract work/ based upon the contracts/ agreements entered into by the Group with its customers.

##### **iii. Recognition of revenue from trading division**

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

##### **iv. Dividend Income**

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





**Sobha Construction Products Private Limited**

CIN No. U36999KA2019PTC129428

Notes to the financial statements for the year ended March 31, 2025

**v. Interest income**

Interest income, including income arising from other financial instruments, is recognised using the effective interest rate method. Interest on delayed payment by customers are accounted when reasonable certainty of collection is established.

**b) Impairment of non financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses, including impairment on inventories, are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

**c) Impairment of financial assets**

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

**d) Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The real estate development projects undertaken by the Company generally run over a period ranging upto 5 years. Operating assets and liabilities relating to such projects are classified as current based on an operating cycle of upto 5 years. Borrowings in connection with such projects are classified as short-term (i.e current) since they are payable over the term of the respective projects.

Assets and liabilities, other than those discussed above, are classified as current to the extent they are expected to be realised / are contractually repayable within 12 months from the Balance sheet date and as non-current, in other cases.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.





**e) Fair value measurement**

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

**f) Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

*Financial assets*

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Debt instruments at amortised cost**

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

**Debt instrument at FVTPL**

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument as at FVTPL.

**Equity investments in subsidiaries**

The Company has availed the option available in Ind AS 27 to carry its investment in subsidiaries at cost. Impairment recognized, if any, is reduced from the carrying value.





**Sobha Construction Products Private Limited**

CIN No. U36999KA2019PTC129428

Notes to the financial statements for the year ended March 31, 2025

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised when:

- ▶ The rights to receive cash flows from the asset have expired, or
- ▶ The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate.

The Company's financial liabilities include trade and other payables, loans and borrowings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

**Loans and borrowings**

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**Trade and other payables**

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is due within 12 months after reporting period. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

**g) Borrowing costs**

Borrowing costs directly attributable to acquisition/ construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use/ sale. All other borrowing costs not eligible for inventorisation/ capitalisation are charged to statement of profit and loss.

**h) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.





**Sobha Construction Products Private Limited**

CIN No. U36999KA2019PTC129428

Notes to the financial statements for the year ended March 31, 2025

**i) Provisions**

A provision is recognized when an enterprise has a present obligation (legal or constructive) as result of past event and it is probable that an outflow of embodying economic benefits of resources will be required to settle a reliably assessable obligation. Provisions are determined based on best estimate required to settle each obligation at each balance sheet date. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**j) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

**k) Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**l) Income taxes**

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

*Current income tax*

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

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.





**Sobha Construction Products Private Limited**

CIN No. U36999KA2019PTC129428

Notes to the financial statements for the year ended March 31, 2025

*Deferred income tax*

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

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

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

The Company has elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised Provision for Income Tax for the year ended 31 March 2021 and re-measured its Deferred Tax Asset basis the rate prescribed in the said section.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

**m) Foreign currency transactions**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction. Foreign currency monetary items are reported using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Exchange differences arising on the settlement of monetary items or on reporting monetary items of Company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.





**n) Inventories**

*Related to real estate activity*

Direct expenditure relating to construction activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the construction and real estate activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

- i. Work-in-progress - Real estate projects (including land inventory): Represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised. Real estate work-in-progress is valued at lower of cost and net realisable value.
- ii. Finished goods - Flats: Valued at lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, inventory held for use in production of finished goods is not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

*Related to manufacturing activity*

- i. Raw materials are valued at lower of cost and net realisable value. Cost is determined based on a weighted average basis.
- ii. Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. However, inventory held for use in production of finished goods is not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

**Related to Trading activity**

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

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

**o) Cash dividend to equity holders of the Company**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**3 Significant accounting estimates and assumptions**

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.





**1) Classification of property**

The Company determines whether a property is classified as investment property or inventory property:

Investment property comprises land and buildings (principally offices, commercial warehouse and retail property) that are not occupied substantially for use by, or in the operations of, the Company, nor for sale in the ordinary course of business, but are held primarily to earn rental income and capital appreciation. These buildings are substantially rented to tenants and not intended to be sold in the ordinary course of business.

Inventory property comprises property that is held for sale in the ordinary course of business. Principally, this is residential property that the Company develops and intends to sell before or on completion of construction.

**a) Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**i) Revenue recognition**

- Determination of performance obligations and timing of revenue recognition on revenue from real estate development (Refer note 2.2).
- Computation of percentage completion for projects in progress, project cost, revenue and saleable area estimates (Refer note 2.2).

**ii) Estimation of net realisable value for inventory property**

Inventory property is stated at the lower of cost and net realisable value (NRV).

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for properties in the same geographical market serving the same real estate segment.

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





**Sobha Construction Products Private Limited**  
Notes to the financial statements for the year ended March 31, 2025

**4 Cash and cash equivalents**

|                             | Current      |              | Non-current |           |
|-----------------------------|--------------|--------------|-------------|-----------|
|                             | 31-Mar-25    | 31-Mar-24    | 31-Mar-25   | 31-Mar-24 |
|                             | ₹ million    | ₹ million    | ₹ million   | ₹ million |
| <b>Balances with banks:</b> |              |              |             |           |
| – On current accounts       | 0.960        | 0.333        | -           | -         |
| Cash on hand                | 0.019        | 0.019        | -           | -         |
|                             | <b>0.979</b> | <b>0.352</b> | <b>-</b>    | <b>-</b>  |

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

|                             | 31-Mar-25    | 31-Mar-24    |
|-----------------------------|--------------|--------------|
|                             | ₹ million    | ₹ million    |
| <b>Balances with banks:</b> |              |              |
| – On current accounts       | 0.960        | 0.333        |
| Cash on hand                | 0.019        | 0.019        |
|                             | <b>0.979</b> | <b>0.352</b> |

**5 Bank balance other than cash and cash equivalents**

|   | Current       |               | Non-current |           |
|---|---------------|---------------|-------------|-----------|
|   | 31-Mar-25     | 31-Mar-24     | 31-Mar-25   | 31-Mar-24 |
|   | ₹ million     | ₹ million     | ₹ million   | ₹ million |
| <b>Bank balance other than cash and cash equivalents</b>  |               |               |             |           |
| – Deposits with maturity less than 12 months              | 10.800        | 10.800        | -           | -         |
|   | <b>10.800</b> | <b>10.800</b> | <b>-</b>    | <b>-</b>  |
| Less: Amount disclosed under non-current financial assets | -             | -             | -           | -         |
|   | <b>10.800</b> | <b>10.800</b> | <b>-</b>    | <b>-</b>  |





**Sobha Construction Products Private Limited**  
Notes to the financial statements for the year ended March 31, 2025

**6 Share Capital**

|   | 31-Mar-25<br>₹ million | 31-Mar-24<br>₹ million |
|---|------------------------|------------------------|
| <b>Authorised shares</b>  |                        |                        |
| 10,00,000 (Previous Year -10,00,000) equity shares of ₹10 each                | 10.000                 | 10.000                 |
| <b>Issued, subscribed and fully paid-up shares</b>                            |                        |                        |
| 10,00,000 (Previous Year - 10,00,000) equity shares of ₹10 each fully paid up | 10.000                 | 10.000                 |
| Total issued, subscribed and fully paid-up share capital                      | 10.000                 | 10.000                 |

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

|                                    | 31-Mar-25    |           | 31-Mar-24    |           |
|------------------------------------|--------------|-----------|--------------|-----------|
|                                    | No of Shares | ₹ million | No of Shares | ₹ million |
| <i>Equity shares</i>               |              |           |              |           |
| At the beginning of the year       | 10,00,000    | 10.000    | 10,00,000    | 10.00     |
| Issued during the year             | -            | -         | -            | -         |
| Outstanding at the end of the year | 10,00,000    | 10.000    | 10,00,000    | 10.000    |

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

The Company has only one class of equity shares having a par value of ₹10 per share.

Each holder of equity shares is entitled to one vote per share. The Company has not declared any dividend during the year.

In event of liquidation of the Company, the holders of equity shares would be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

|  | 31-Mar-25    |                    | 31-Mar-24    |                    |
|--|--------------|--------------------|--------------|--------------------|
|  | No of Shares | Holding percentage | No of Shares | Holding percentage |
| <i>Equity shares of ₹10 each fully paid up</i> |              |                    |              |                    |
| Sobha Limited                                  | 10,00,000    | 100%               | 10,00,000    | 100%               |

Note : As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

**(d) Details of Shareholding of Promoters**

| Shares held by promoters at the end of the period |               |              |           | % Change during the |
|---|---------------|--------------|-----------|---------------------|
| Sl No   | Promoter Name | No of Shares | %of total |                     |
| 1   | Sobha Limited | 10,00,000    | 100%      | Nil                 |
| Total   |               | 10,00,000    | 100%      |                     |

**7 Other equity**

|  | 31-Mar-25<br>₹ million | 31-Mar-24<br>₹ million |
|--|------------------------|------------------------|
| <b>Surplus in the statement of profit and loss</b>     |                        |                        |
| Balance at the beginning of the year                   | 1.204                  | 0.642                  |
| Profit for the year                                    | 0.560                  | 0.562                  |
| <b>Net surplus in the statement of profit and loss</b> | <b>1.764</b>           | <b>1.204</b>           |
| <b>Total other equity</b>                              | <b>1.764</b>           | <b>1.204</b>           |





**Sobha Construction Products Private Limited**  
**Notes to the financial statements for the year ended March 31, 2025**  
**8 Other financial liabilities**

|                                | 31-Mar-25<br>₹ million | 31-Mar-24<br>₹ million |
|--------------------------------|------------------------|------------------------|
| Non trade payables             | 0.021                  | 0.007                  |
| <b>Total Other Liabilities</b> | <b>0.021</b>           | <b>0.007</b>           |





Sobha Construction Products Private Limited

Notes to the financial statements for the year ended March 31, 2025

9 Finance income

|                    | for the year ended<br>31-Mar-25<br>₹ million | for the year ended<br>31-Mar-24<br>₹ million |
|--------------------|--|--|
| Interest income on |  |  |
| Bank deposit       | 0.774  | 0.745  |
| on tax refund      | 0.002  | -  |
|                    | <u>0.776</u>                                 | <u>0.745</u>                                 |

10 Other expenses

|  | for the year ended<br>31-Mar-25<br>₹ million | for the year ended<br>31-Mar-24<br>₹ million |
|--|--|--|
| Rates and taxes                          | 0.005  | 0.002  |
| Legal and professional fees              | 0.008  | 0.017  |
| Payment to auditor (Refer details below) | 0.015  | 0.005  |
| Bank charges                             | 0.001  | 0.001  |
|  | <u>0.029</u>                                 | <u>0.025</u>                                 |

Payment to auditor

|                           | for the year ended<br>31-Mar-25<br>₹ million | for the year ended<br>31-Mar-24<br>₹ million |
|---------------------------|--|--|
| As auditor:               |  |  |
| Audit fee                 | 0.015  | 0.005  |
| Reimbursement of expenses | -  | -  |
|                           | <u>0.015</u>                                 | <u>0.005</u>                                 |





**Sobha Construction Products Private Limited**  
**Notes to the financial statements for the year ended March 31, 2025**

- 11 There is no contingent liability during the period.
- 12 The company does not have any employees and hence no provision is considered in respect of employee benefits.
- 13 There is no expenditure or earnings in Foreign exchange during the period.
- 14 There are no dues to any party covered under Micro, Small and medium Enterprises Development Act, 2006, and hence information required under the said Act has not been furnished.
- 15 The related parties and transactions with them during the year as identified by the management are given under:

**a) List of related parties**

**Holding Company :** Sobha Limited

**Fellow Subsidiaries :**  
Sobha Tambaram Developers Limited  
Sobha Nandambakkam Developers Limited  
Sobha Highrise Ventures Private Limited  
Sobha City  
C V S Tech Park Private Limited  
Sobha Developers (Pune) Limited  
Sobha Assets Private Limited

**Direct Subsidiaries of Sobha City, Partnership Firm**

Valasai Vettikadu Realtors Private Limited  
Vayaloor Builders Private Limited  
Vayaloor Developers Private Limited  
Vayaloor Properties Private Limited  
Vayaloor Real Estate Private Limited  
Vayaloor Realtors Private Limited

**Direct Subsidiaries of Sobha Highrise Ventures Private Limited**

Sobha Contracting Private Limited

**Direct Subsidiaries of Sobha Developers (Pune) Limited**

Kilai Builders Private Limited  
Kuthavakkam Builders Private Limited  
Kuthavakkam Realtors Private Limited  
Sobha Interiors Private Limited  
Sobha Commercial Private Limited- wef-24.07.2024  
(formerly known as BNB Builders Private Limited)

**Joint Venture of Sobha Limited**

Kondhwa Projects LLP





**Name of the Other Related Parties**

Technobuild Developers Private Limited  
Allapuzha Fine Real Estates Private Limited  
Aluva Realtors Private Limited  
Bikasa Properties Private Limited  
Bikasa Realestates Private Limited  
Bikasa Realtors Private Limited  
Chennai Supercity Developers Private Limited  
Chikmangaloor Builders Private Limited  
Chikmangaloor Developers Private Limited  
Chikmangaloor Properties Private Limited  
Chikmangaloor Realtors Private Limited  
Cochin Cyber City Private Limited  
Cochin Cyber Estates Private Limited  
Cochin Cyber Golden Properties Private Limited  
Cochin Cyber Value Added Properties Private Limited  
Cochin Realtors Private Limited  
Daram Cyber Builders Private Limited  
Daram Cyber Developers Private Limited  
Daram Cyber Properties Private Limited  
Daram Lands Real Estate Private Limited  
Greater Cochin Cybercity Private Limited  
Greater Cochin Developers Private Limited  
Greater Cochin Properties Private Limited  
Greater Cochin Realtors Private Limited  
Ilupur Builders Private Limited  
Ilupur Developers Private Limited  
Ilupur Properties Private Limited  
Ilupur Real Estate Private Limited  
Ilupur Realtors Private Limited  
Kaloore Realtors Private Limited  
Kaveripuram Developers Private Limited  
Kilai Properties Private Limited  
Kilai Super Developers Private Limited  
Kottaiyur Developers Private Limited  
Kottaiyur Real Estates Private Limited  
Kottaiyur Realtors Private Limited  
Kuthavakkam Developers Private Limited  
Kuthavakkam Properties Private Limited  
Mamballi Builders Private Limited  
Mannur Builders Private Limited  
Mannur Properties Private Limited  
Mannur Real Estates Private Limited  
Mapedu Builders Private Limited  
Mapedu Real Estates Private Limited  
Mapedu Realtors Private Limited  
Marina Realtors Private Limited  
Moolamcode Traders Private Limited  
Nasarapet Developers Private Limited  
Nasarapet Properties Private Limited  
Nasarapet Realtors Private Limited  
Navabhusan Properties and Developers Private Limited  
Padma Lochana Enterprises Private Limited  
Palani Properties Private Limited  
Pallavur Projects Private Limited  
Paramakudi Properties Private Limited  
Perambakkam Builders Private Limited  
Perambakkam Properties Private Limited  
Pillaipakkam Properties Private Limited  
Pillaipakkam Builders Private Limited  
Red Lotus Realtors Private Limited

Rusoh Fine Builders Private Limited  
Rusoh Home Developers Private Limited  
Rusoh Marina Properties Private Limited  
Rusoh Modern Builders Private Limited  
Rusoh Modern Developers Private Limited  
Rusoh Modern Properties Private Limited  
Santhavellur Builders Private Limited  
Santhavellur Developers Private Limited  
Santhavellur Realtors Private Limited  
Sengadu Builders Private Limited  
Sengadu Developers Private Limited  
Sengadu Properties Private Limited  
Sengadu Realestates Private Limited  
Sengadu Realtors Private Limited  
Sri Durga Devi Property Management Private Limited  
Sri Kanakadurga Property Developers Private Limited  
Sri Parvathy Land Developers Private Limited  
Sunbeam Projects Private Limited  
Thakazhi Developers Private Limited  
Thakazhi Realtors Private Limited  
Thiruchour Builders Private Limited  
Thiruchour Developers Private Limited  
Tirur Cyber Real Estates Private Limited  
Valasai Vettikadu Builders Private Limited  
Valasai Vettikadu Properties Private Limited  
Valasai Vettikadu Real Estate Private Limited  
SBG Housing Private Limited  
Puzhakkal Developers Private Limited  
HBR Consultants Private Limited  
Hill And Menon Securities Private Limited  
Indeset Electromechanical Private Limited  
Indeset Steel Private Limited  
Lotus Manpower Consultants Services Pvt Ltd  
Lotus Manpower Services  
Oman Builders Private Limited  
Puzhakkal Developers Private Limited  
PNC Lighting Solutions Private Limited  
PNC Technologies Private Limited  
Punkunnam Builders And Developers Private Ltd  
Red Lotus Facility Services Private Limited  
Red Lotus Metal Works Facilities And Services Pvt Ltd  
Royal Interiors Private Limited  
Sobha Academy Private Limited  
Sobha Aviation And Engineering Services Pvt Ltd  
Sobha Electro Mechanical Private Limited  
Sobha Glazing And Metal Works Private Limited  
Sobha Hitechcity Developers Private Limited  
Sobha Innercity Technopolis Private Limited  
Sobha Jewellery Private Limited  
Sobha Mapletree Developers Private Limited  
Sobha Projects And Trade Private Limited  
Sobha Puravankara Aviation Private Limited  
Sobha Space Private Limited  
Sobha Technocity Private Limited  
Sri Kurumba Educational and Charitable Trust  
Eclat Interiors Private Limited  
PNC Switchgears Private Limited  
Lambuk Developers LLP  
Sobha - Latinem Properties Private Limited  
Eunomia Developers LLP





b) Transactions with Related Parties

| Nature of transaction | Description of relationship | Name of the Related party              | for the year ended<br>31st March, 2025 | for the year ended<br>31st March, 2024 |
|-----------------------|-----------------------------|--|--|--|
|                       |                             |  | ₹ million                              | ₹ million                              |
| Reimbursements        | Other Related Party         | Technobuild Developers Private Limited | 0.005                                  | 0.040                                  |
| Balance Payable       | Other Related Party         | Technobuild Developers Private Limited | 0.006                                  | 0.002                                  |

c) Key Management Personnel

Mr. Venkatesan Lakshmanan - Appointment -wef - 24.07.2024

Mr. Akhil Parameswaran

Mr. Manoj Rastogi

Ms.Lakshmi Kanthavara - resigned wef - 24.07.2024

16 Earnings per Share:

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

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

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

| Particulars  | for the year ended<br>31st March, 2025 | for the year ended<br>31st March, 2024 |
|--|--|--|
| Nominal value of equity shares                                       | 10                                     | 10                                     |
| Profit after tax attributable to shareholders (₹ million)            | 0.560                                  | 0.562                                  |
| Weighted average number of equity shares outstanding during the year | 10,00,000                              | 10,00,000                              |
| Basic EPS (₹)  | 0.560                                  | 0.562                                  |

|    |   |     |
|----|---|-----|
| 17 | Details relating to Title deeds of Immovable Property not held in name of the Company                                   | Nil |
| 18 | Details relating to ageing of Capital Work-in-Progress  | Nil |
| 19 | Details relating to ageing of Intangible assets under development   | Nil |
| 20 | Details relating to ageing of Trade Receivables   | Nil |
| 21 | Details relating to ageing of Trade Payables  | Nil |
| 22 | Details relating to loans or advances in the nature of loans to Promoters, Directors, KMP and related parties           | Nil |
| 23 | Details relating to borrowings secured against current assets of the company  | Nil |
| 24 | Details relating to Benami Property held by the Company   | Nil |
| 25 | Details relating to utilization of borrowed funds and share premium   | Nil |
| 26 | Details relating to declaration of the company as wilful defaulter by any bank or financial institution or other lender | Nil |
| 27 | Details relating to the nature of transaction carried out with the struck-off company                                   | Nil |
| 28 | Details relating to the transactions under taken in Crypto or Virtual currency  | Nil |
| 29 | Details relating to the undisclosed income reported   | Nil |
| 30 | Details regarding registraion or satisfaction of charges with Registrar of Companies, beyond the statutory period       | Nil |
| 31 | Details regarding compliance with number of layers of companies   | Nil |
| 32 | Details regarding compliance with approved scheme of arrangements   | Nil |
| 33 | Details regarding compliance with Corporate Social Responsibility   | Nil |





**Sobha Construction Products Private Limited**  
**Notes to the financial statements for the year ended March 31, 2025**

**34 Ratios**

| Particulars                     | Numerator consists off   | Denominator consists off  | Current year ratio | Previous year ratio | % of variance | Reasons for variance   |
|---------------------------------|--|---|--------------------|---------------------|---------------|--|
| <b>Liquidity Ratio:</b>         |  |   |                    |                     |               |  |
| Current ratio                   | Current Assets   | Current Liabilities   | 550.42             | 1639.94             | -66.44%       | Increase in current liabilities and increase in bank balance |
| <b>Solvency Ratio:</b>          |  |   |                    |                     |               |  |
| Debt Equity ratio               | Total Debt   | Shareholder's Equity  | Nil                | Nil                 | Nil           | Nil  |
|                                 | Earnings for debt service = Net profit after taxes + Non-cash operating expenses | Debt service = Interest & Lease Payments + Principal Repayments   |                    |                     |               |  |
| Debt Service Coverage ratio     |  |   | Nil                | Nil                 | Nil           | Nil  |
| <b>Profitability Ratio:</b>     |  |   |                    |                     |               |  |
| Return on Equity                | Net Profits after taxes - Preference Dividend                                    | Average Shareholder's Equity                                      | 0.05               | 0.05                | -5.19%        | Nil  |
| Net Profit ratio                | Net Profit   | Net sales = Total sales - sales return                            | Nil                | Nil                 | Nil           | Nil  |
| Return on Capital Employed      | Earnings before interest and taxes   | Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax | 0.06               | 0.06                | -1.12%        | Nil  |
| <b>Utilisation Ratio:</b>       |  |   |                    |                     |               |  |
| Trade Receivable Turnover Ratio | Net credit sales = Gross credit sales - sales return                             | Average Trade Receivable  | Nil                | Nil                 | Nil           | Nil  |
| Inventory Turnover ratio        | Cost of goods sold   | Average Inventory   | Nil                | Nil                 | Nil           | Nil  |
| Trade Payable Turnover Ratio    | Net credit purchases = Gross credit purchases - purchase return                  | Average Trade Payables  | Nil                | Nil                 | Nil           | Nil  |
| Net Capital Turnover Ratio      | Net sales = Total sales - sales return   | Working capital = Current assets - Current liabilities            | Nil                | Nil                 | Nil           | Nil  |





**Sobha Construction Products Private Limited**

**Notes to the financial statements for the year ended March 31, 2025**

**35 Dividend**

The company has not declared any dividend during the year.

**36 Prior year comparatives**

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

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For Garisenuru & Co

ICAI Firm registration number: 018666S

Chartered Accountants



*Subba Reddy G*

Subba Reddy G

Proprietor

Membership No.: 244907

Place: Bengaluru, India

Date -08-05-2025

For and on behalf of the Board of Directors of

Sobha Construction Products Private Limited

*V. Lakshmanan*

Venkatesan Lakshmanan

Director

DIN: 10538781

*Akhil Parameswaran*

Akhil Parameswaran

Director

DIN: 09040303

Place: Bengaluru, India

Date -08-05-2025

UDIN: 25244907BMRkDM8975