



**M.S.B. RAO & CO.,**  
Chartered Accountants

*M. S. Babu Rao*

B.Sc., F.C.A., LL.B.

Chartered Accountant

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## Independent Auditor's Report

To the Members of Sobha Interiors Private Limited

Report on the audit of Financial Statements

### Opinion

I have audited the accompanying financial statements of **Sobha Interiors Private Limited** ("the Company"), which comprise the Balance Sheet as at **March 31, 2022**, 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, 2022**, 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 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 Board's Report including Annexures to Board's Report if any, 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) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, 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.

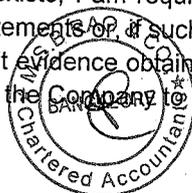
The Board of Directors is also responsible for overseeing the company's financial reporting process.

## Auditors' Responsibility

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 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.

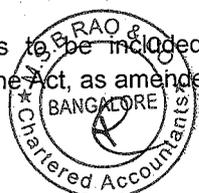
I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance 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.

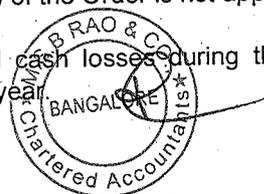
From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes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

#### Report on Other Legal and Regulatory Requirements

1. As required by the **Companies (Auditor's Report) Order, 2020** ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, I give in **Annexure "A"** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, 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 read with Rule 7 of the Companies (Accounts) Rules 2014;
  - e) On the basis of the written representations received from the directors of the Company as on March 31, 2022 taken on record by the board of directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to my separate report in Annexure "B";
  - 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:



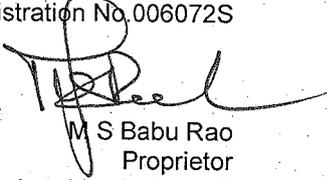
- x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private 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.
- xxi) The company is not required to prepare consolidated financial statements and hence clause 3(xxi) of the Order regarding qualifications or adverse remarks by the auditors of the companies included in the consolidated financial statements is not applicable.

For MSB Rao & Co  
Chartered Accountant  
Firms Registration No.006072S



  
M S Babu Rao  
Proprietor  
Membership No.201467  
UDIN: 22201467AJGIKE4210

Place: Bengaluru  
Date:09.05.2022

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

(Referred to in Paragraph 2(f) under “Report on Other legal and regulatory requirements” section of my report to the members of **Sobha Interiors 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 over financial reporting of Sobha Interiors Private Limited (the “Company”) as of 31<sup>st</sup> March 2022 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 Board of Directors of the company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘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 Companies Act, 2013.

#### **Auditors’ Responsibility**

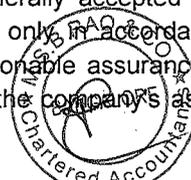
My responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on my audit. I conducted my audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. My audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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.

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

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting 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 Over Financial Reporting**

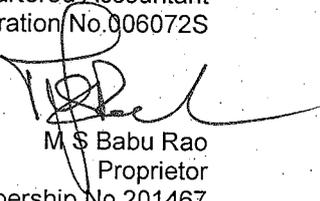
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31<sup>st</sup> March 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For MSB Rao & Co,  
Chartered Accountant  
Firms Registration No.006072S



  
M S Babu Rao  
Proprietor  
Membership No.201467  
UDIN: 22201467AJGIKE4210

Place: Bengaluru  
Date:09.05.2022

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

(Referred to in Paragraph 1 under “Report on Other legal and regulatory requirements” section of my report to the members of **Sobha Interior 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) In respect of its Property, Plant and Equipment and Intangible Assets:
  - a) (A) The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and there were no Right-of-Use assets recognised by the Company during the year.  
(B) The Company has no Intangible assets. Therefore, provisions of clause 3(i) (a) (A) is not applicable to the Company.
  - b) The Company has a program of physical verification of Property, Plant and Equipment so to cover all the assets once every three years which, in my opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to me during the course of the audit no material discrepancies were noticed on such verification.
  - c) Based on my examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to me, I report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - d) The Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- 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) In respect of investments in, companies, firms, Limited Liability Partnerships, and granted unsecured loans to other parties:
  - a) The Company has not provided any loans or advances in the nature of loans to any other entities except guarantee/ security for the loan availed by its Holding Company amounting to Rs. 1,100 million out of which an amount of Rs. 880 million is outstanding as at the Balance Sheet date.
  - b) In my opinion, guarantee/ security given for the loan availed by its Holding Company are, prima facie, not prejudicial to the Company’s interest.
  - c) The Company has not provided any loans or advances in the nature of loans and hence reporting under clause 3(iii)(c) to (f) of the Order are not applicable.
- iv) The Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.



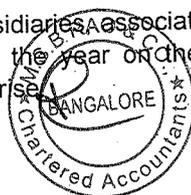
- v) The company has not accepted any deposits from the public or amounts which are deemed to be deposits during the year to which directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 of the Act are applicable and as such clause 3(v) of the Order is not applicable.
- 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, 2022 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, the details of disputed statutory dues that have not been deposited on account of dispute is as under:

Name of the Statute	Nature of the dues	Amount [Rs.]	Amount paid [Rs.]	Period to which amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	Rs.33,32,178/-	Nil	AY 2007-08	Commissioner of Income Tax (Appeal)

- 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.



In my opinion and to the best of my information and according to the explanations given to me, no remuneration has been paid by the Company to its directors during the year and hence provisions of section 197 of the Companies Act 2013 are not applicable and

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:

- i. The Company did not have pending litigations as on 31<sup>st</sup> March 2022, which have an impact on its financial statements;
- 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;

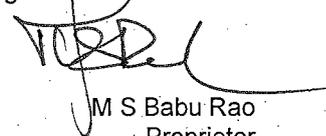
(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to my notice that has caused me to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Notes 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.

For MSB Rao & Co  
Chartered Accountant  
Firms Registration No.006072S



  
M S Babu Rao  
Proprietor

Membership No.201467  
UDIN: 22201467AJGIKE4210

Place: Bengaluru  
Date:09.05.2022

Sobha Interiors Private Limited  
CIN No.U74994KA1996PTC020647  
Balance sheet as at March 31, 2022

	Notes	As at 31-Mar-22 ₹ million	As at 31-Mar-21 ₹ million
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4a	0.001	0.001
Investment property	4b	123.275	127.566
<b>Financial assets</b>			
Trade receivables	5	19.677	19.677
Liabilities for Current tax (net)		3.946	3.567
		<b>146.899</b>	<b>150.811</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Trade receivables	5	125.858	114.254
Cash and cash equivalents	6	0.095	0.082
Bank balance other than cash and cash equivalents	6	0.728	0.691
Other current assets	7	0.138	0.750
		<b>126.819</b>	<b>115.777</b>
<b>Total assets</b>		<b>273.718</b>	<b>266.588</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	8	6.000	6.000
Other equity	9	26.606	21.946
<b>Total equity</b>		<b>32.606</b>	<b>27.946</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Other financial liabilities	11	77.232	89.928
		<b>77.232</b>	<b>89.928</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
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 financial liabilities	10	162.073	148.500
Other current liabilities	11	1.807	0.214
		<b>163.880</b>	<b>148.714</b>
<b>Total liabilities</b>		<b>241.112</b>	<b>238.642</b>
<b>Total equity and liabilities</b>		<b>273.718</b>	<b>266.588</b>

Summary of significant accounting policies

2

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

As per our report of even date

For MSB Rao & Co

ICAI Firm registration number:00672S

Chartered Accountant

M S Babu Rao

Proprietor

Membership No.: 201467

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

P N Devidas

Director

DIN:02358034

M Radhakrishnan

Director

DIN:02226337

Place: Bengaluru, India

Date: 09-05-2022

Place: Bengaluru, India

Date: 09-05-2022

UDIN: 22201467AJGJKE4210

Sobha Interiors Private Limited

CIN No.U74994KA1996PTC020647

Statement of profit and loss for the year ended March 31, 2022

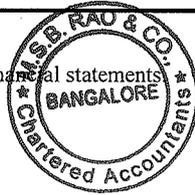
	Notes	31-Mar-22 ₹ million	31-Mar-21 ₹ million
Other income	12	27.456	26.750
Finance income	13	0.037	0.039
<b>Total income</b>		<b>27.493</b>	<b>26.789</b>
<b>Expenses</b>			
Depreciation and amortization	16	4.291	4.732
Other expenses	14	2.680	2.371
Finance cost	15	13.601	12.176
<b>Total expenses</b>		<b>20.572</b>	<b>19.279</b>
<b>Profit before tax</b>		<b>6.921</b>	<b>7.510</b>
Tax expenses			
Current tax		2.261	2.141
Tax relating to prior years		-	-
<b>Income tax expense</b>		<b>2.261</b>	<b>2.141</b>
<b>Profit for the year</b>		<b>4.660</b>	<b>5.369</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>4.660</b>	<b>5.369</b>
<b>Earnings per equity share [nominal value of ₹ 10 (Previous year - ₹ 10)]</b>			
Basic and Diluted [in Rupees]	22	7.766	8.947

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

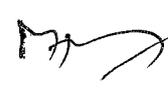
As per our report of even date  
For MSB Rao & Co  
ICAI Firm registration number:00672S  
Chartered Accountant



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

M S Babu Rao  
Proprietor  
Membership No.: 201467

  
P N Devidas  
Director  
DIN:02358034

  
M Radhakrishnan  
Director  
DIN:02226337

Place: Bengaluru, India  
Date: 09-05-2022

Place: Bengaluru, India  
Date: 09-05-2022

UDJN: 22201467ASGZKE4210

Sobha Interiors Private Limited  
CIN No.U74994KA1996PTC020647  
Statement of Cash Flows for the year ended March 31, 2022

Notes	31-Mar-22 ₹ million	31-Mar-21 ₹ million
<b>Operating activities</b>		
Profit before tax	6.921	7.510
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Depreciation of property, plant and equipment	4.291	4.732
Finance income (including fair value change in financial instruments)	(0.037)	(0.039)
Finance costs (including fair value change in financial instruments)	13.601	12.176
<i>Working capital adjustments:</i>		
(Increase)/ decrease in trade receivables	(11.604)	(9.457)
(Increase)/ decrease in other financial and non-financial assets	0.612	(0.435)
Increase/ (decrease) in trade payables and other financial liabilities	2.470	(0.662)
Income tax paid (net of refund)	(2.640)	(1.812)
<b>Net cash flows from/ (used in) operating activities (A)</b>	<b>13.614</b>	<b>12.013</b>
<b>Investing activities</b>		
(Investments in)/ redemption of bank deposits (having original maturity of more than three months) - net	(0.037)	(0.039)
Interest received	0.037	0.039
<b>Net cash flows from/ (used in) investing activities (B)</b>	<b>0.000</b>	<b>0.000</b>
<b>Financing activities</b>		
Interest paid (gross)	(13.601)	(12.176)
<b>Net cash flows from/ (used in) financing activities (C)</b>	<b>(13.601)</b>	<b>(12.176)</b>
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	0.013	(0.163)
Cash and cash equivalents at the beginning of the year	6	0.245
<b>Cash and cash equivalents at the end of the year</b>	<b>6</b>	<b>0.082</b>

Summary of significant accounting policies

2

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

As per our report of even date  
For MSB Rao & Co  
ICAI Firm registration number:00672S  
Chartered Accountant

M S Babu Rao  
Proprietor  
Membership No.: 201467

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

P N Devidas  
Director  
DIN:02358034

M Radhakrishnan  
Director  
DIN:02226337

Place: Bengaluru, India  
Date: 09-05-2022

Place: Bengaluru, India  
Date: 09-05-2022

LIDIN: 22201467A36IKEY210

Sobha Interiors Private Limited  
CIN No.U74994KA1996PTC020647  
Statement of Changes in Equity for the year ended March 31, 2022

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
600,030	6.000	-	-	-	600,030	6.000

(2) Previous reporting period

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
600,030	6.000	-	-	-	600,030	6.000

B. Other Equity

(1) Current reporting period

	Reserves and Surplus			Total
	Securities Premium	Other Reserves (specify nature)	Retained Earnings	
Balance at the beginning of the current reporting period	-	-	21.946	21.946
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	-	-	4.660	4.660
Any other change (to be specified)	-	-	-	-
Balance at the end of the current reporting period	-	-	26.606	26.606

(2) Previous reporting period

	Reserves and Surplus			Total
	Securities Premium	Other Reserves (specify nature)	Retained Earnings	
Balance at the beginning of the previous reporting period	-	-	16.577	16.577
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	-	-	5.369	5.369
Any other change (to be specified)	-	-	-	-
Balance at the end of the previous reporting period	-	-	21.946	21.946

Summary of significant accounting policies

The accompanying notes are an integral part of the financial statements

As per our report of even date  
For MSB Rao & Co  
ICAI Firm registration number:00672S  
Chartered Accountant

M S Babu Rao  
Proprietor  
Membership No.: 201467



2

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

P N Devidas  
Director  
DIN:02358034

M Radhakrishnan  
Director  
DIN:02226337

Place: Bengaluru, India  
Date: 09-05-2022

Place: Bengaluru, India  
Date: 09-05-2022

LDIN: 22201467ATGZICE4210.

**Sobha Interiors Private Limited**

CIN No.U74994KA1996PTC020647

Notes to the financial statements for the year ended March 31, 2022

**1 Corporate Information**

Sobha Interiors Private Limited ('Company') was incorporated on June 17, 1996. The Company is primarily engaged in letting the factory premises on rent.

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 shares are not listed and is a fully owned subsidiary of Sobha Developers Pune Limited, a limited company in the real estate sector and having its registered office at Bengaluru, wef 03/04/2019.

**2 Significant accounting policies**

**2.1 Basis of preparation**

The financial statements are separate financial statements prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (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. Rental income from operating leases**

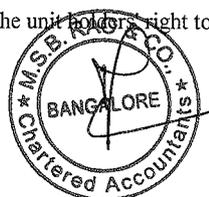
Rental income receivable under operating leases (excluding variable rental income) is recognized in the income statement on a straight-line basis over the term of the lease including lease income on fair value of refundable security deposits. Rental income under operating leases having variable rental income is recognized as per the terms of the contract.

**iii. 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.

**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 Interiors Private Limited**

CIN No.U74994KA1996PTC020647

Notes to the financial statements for the year ended March 31, 2022

**b) Property, plant and equipment**

Property, plant & equipment are stated at their cost of acquisition/construction, net of accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met, directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is derecognised.

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

**c) Investment properties**

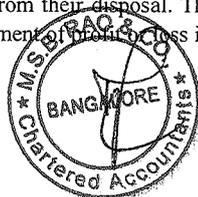
Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in statement of profit or loss as incurred.

The Company depreciates building component of investment property over 30 years from the date of original purchase.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in statement of profit or loss in the period of derecognition.



**Sobha Interiors Private Limited**

CIN No.U74994KA1996PTC020647

Notes to the financial statements for the year ended March 31, 2022

**d) Depreciation on property, plant and equipment and Investment property**

Depreciation is calculated on straight line basis using the following useful lives prescribed under Schedule II, except where specified.

Particulars	Useful lives estimated by the
<b>Property, plant and equipment</b>	
Factory buildings	30
Buildings - other than factory buildings	60
Buildings - Temporary structure	3
Plant and machinery	
i. General plant and machinery	15
ii. Plant and machinery - Civil construction	12
iii. Plant and Machinery - Electrical installations	10
Furniture and fixtures	10
Motor vehicles	8
Computers	
i. Computer equipment	3
ii. Servers and network equipment	6
Office equipments	5
<b>Investment property</b>	
Factory buildings	30
Buildings - other than factory buildings	60
Plant and machinery	
i. General plant and machinery	15
ii. Plant and machinery - Civil construction	12
iii. Plant and Machinery - Electrical installations	10
Computer equipment	3
Furniture and fixtures	10

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

**e) Impairment of non financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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

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



**f) 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.

**g) 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.

**h) 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:

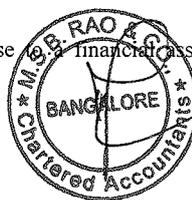
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ 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.

**i) 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.



## Sobha Interiors Private Limited

CIN No.U74994KA1996PTC020647

Notes to the financial statements for the year ended March 31, 2022

### *Financial assets*

#### Initial recognition and measurement

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

#### Subsequent measurement

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

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

#### **Debt instruments at amortised cost**

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

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

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

#### **Debt instrument at FVTPL**

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

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

#### **Equity investments in subsidiaries**

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

#### 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:



**Sobha Interiors Private Limited**

CIN No.U74994KA1996PTC020647

Notes to the financial statements for the year ended March 31, 2022

**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.

**j) 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.

**k) Cash and cash equivalents**

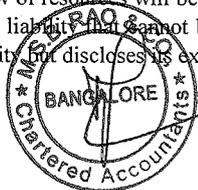
Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts as they are considered an integral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

**l) 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.

**m) 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.



**Sobha Interiors Private Limited**

CIN No.U74994KA1996PTC020647

Notes to the financial statements for the year ended March 31, 2022

**n) 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.

**o) Income taxes**

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

*Current income tax*

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

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

*Deferred income tax*

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

- ▶ temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- ▶ temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the 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 from the year ended 31 March 2020 and re-measured its Deferred Tax Asset basis the rate prescribed in the said section.



**p) 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.

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

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

**3 Significant accounting estimates and assumptions**

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

**i) Classification of property**

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

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

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

**a) Estimates and assumptions**

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

**i) Revenue recognition**

-Determination of performance obligations and timing of revenue recognition on revenue from real estate development (Refer note 2.2).

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



**Sobha Interiors Private Limited**

**CIN No.U74994KA1996PTC020647**

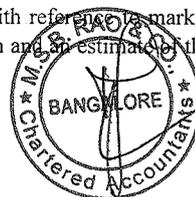
**Notes to the financial statements for the year ended March 31, 2022**

**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 INTERIORS PRIVATE LIMITED**

Notes to the financial statements for the year ended March 31, 2022

**4a. Property, plant and equipment**

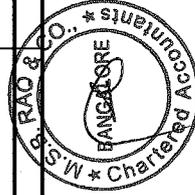
₹ million

Description	Gross Block			Depreciation		Net Block	
	As at 01.04.2021	Addition during the year	As at 31.03.2022	As at 01.04.2021	for the period	As at 31.03.2022	As at 31.03.2021
Office Equipments	0.010	-	0.010	0.010	-	0.010	0.001
Furniture and Fixtures	0.011	-	0.011	0.010	-	0.010	0.001
<b>Grand Total</b>	<b>0.021</b>	<b>-</b>	<b>0.021</b>	<b>0.020</b>	<b>-</b>	<b>0.020</b>	<b>0.001</b>

**4b. Investment property**

₹ million

Description	Gross Block			Depreciation		Net Block	
	As at 01.04.2021	Addition during the year	As at 31.03.2022	As at 01.04.2021	for the period	As at 31.03.2022	As at 31.03.2021
Freehold Land	81.546	-	81.546	-	-	-	81.546
Building	218.409	-	218.409	172.389	4.291	176.680	46.020
<b>Grand Total</b>	<b>299.955</b>	<b>-</b>	<b>299.955</b>	<b>172.389</b>	<b>4.291</b>	<b>176.680</b>	<b>127.566</b>



**Sobha Interiors Private Limited**

Notes to the financial statements for the year ended March 31, 2022

**5 Trade receivables**

	Current		Non-current	
	31-Mar-22 ₹ million	31-Mar-21 ₹ million	31-Mar-22 ₹ million	31-Mar-21 ₹ million
Receivables from other related parties	125.858	114.254	19.677	19.677
<b>Total Trade receivables</b>	<b>125.858</b>	<b>114.254</b>	<b>19.677</b>	<b>19.677</b>

For transactions with related parties, refer note 21  
For trade receivables ageing schedule, refer note 39

**6 Cash and cash equivalents**

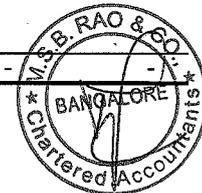
	Current		Non-current	
	31-Mar-22 ₹ million	31-Mar-21 ₹ million	31-Mar-22 ₹ million	31-Mar-21 ₹ million
<b>Balances with banks:</b>				
– On current accounts	0.095	0.082	-	-
	<b>0.095</b>	<b>0.082</b>		
<b>Bank balance other than cash and cash equivalents</b>				
– Deposits with maturity for less than 12 months	0.728	0.691	-	-
	<b>0.728</b>	<b>0.691</b>		

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

	31-Mar-22 ₹ million	31-Mar-21 ₹ million
<b>Balances with banks:</b>		
– On current accounts	0.095	0.082
	<b>0.095</b>	<b>0.082</b>

**7 Other assets**

	Current		Non-current	
	31-Mar-22 ₹ million	31-Mar-21 ₹ million	31-Mar-22 ₹ million	31-Mar-21 ₹ million
<b>Others</b>				
Prepaid expenses	0.138	0.559	-	-
Balances with statutory/government authorities	-	0.191	-	-
	<b>0.138</b>	<b>0.750</b>		



**Sobha Interiors Private Limited**

Notes to the financial statements for the year ended March 31, 2022

**8 Share Capital**

	31-Mar-22 ₹ million	31-Mar-21 ₹ million
<b>Authorised shares</b>		
15,00,000 (March 31, 2021 - 15,00,000) equity shares of ₹10 each	15.000	15.000
<b>Issued, subscribed and fully paid-up shares</b>		
6,00,030 (March 31, 2021 - 6,00,030) equity shares of ₹10 each fully paid up	6.000	6.000
Total issued, subscribed and fully paid-up share capital	6.000	6.000

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

	31-Mar-22		31-Mar-21	
	No of Shares	₹ million	No of Shares	₹ million
<i>Equity shares</i>				
At the beginning of the year	600,030	6.000	600,030	6.000
Issued during the year	-	-	-	-
Outstanding at the end of the year	600,030	6.000	600,030	6.000

**(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-22		31-Mar-21	
	No of Shares	Holding percentage	No of Shares	Holding percentage
<i>Equity shares of ₹10 each fully paid up</i>				
Sobha Developers Pune Limited	600,030	100%	600,030	100%

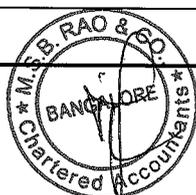
Note : As per records of the Company, including its register of shareholders/ members and other declaration received from shareholders regarding beneficial interest, the above shareholding represent both legal and beneficial ownership of shares.

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

Shares held by promoters at the end of the year				
Sl No	Promoter Name	No of Shares	% of total Shares	% Change during the year
1	Sobha Developers Pune Limited	600,030	100%	Nil
<b>Total</b>		600,030	100%	

**9 Other equity**

	31-Mar-22 ₹ million	31-Mar-21 ₹ million
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	21.946	16.577
Profit for the year	4.660	5.369
Net surplus in the statement of profit and loss	26.606	21.946
<b>Total other equity</b>	26.606	21.946



**Sobha Interiors Private Limited**

Notes to the financial statements for the year ended March 31, 2022

**10 Other financial liabilities**

	31-Mar-22 ₹ million	31-Mar-21 ₹ million
<b>Non current</b>		
Deferred lease rentals	77.232	89.928
<b>Total non-current other financial liabilities</b>	<b>77.232</b>	<b>89.928</b>
<b>Current</b>		
Book overdraft from scheduled banks	-	0.010
Others		
Non-trade payable	0.085	0.089
Security deposit towards renting services	121.942	108.355
Payable to related parties (refer note 21)	27.350	27.350
Deferred lease rentals	12.696	12.696
<b>Total current other financial liabilities</b>	<b>162.073</b>	<b>148.500</b>
<b>Total other financial liabilities</b>	<b>239.305</b>	<b>238.428</b>

**11 Other liabilities**

	31-Mar-22 ₹ million	31-Mar-21 ₹ million
Withholding taxes payable	0.004	0.003
GST Payable	1.803	0.211
<b>Total other liabilities</b>	<b>1.807</b>	<b>0.214</b>



**Sobha Interiors Private Limited**

Notes to the financial statements for the year ended March 31, 2022

**12 Other income**

	31-Mar-22	31-Mar-21
	₹ million	₹ million
Factory Rent receipts	27.456	26.748
Other non-operating income	-	0.002
	<u>27.456</u>	<u>26.750</u>

**13 Finance income**

	31-Mar-22	31-Mar-21
	₹ million	₹ million
Interest income on Bank deposits	0.037	0.039
	<u>0.037</u>	<u>0.039</u>

**14 Other expenses**

	31-Mar-22	31-Mar-21
	₹ million	₹ million
Registration, Renewal and License fees	0.005	0.006
Rates and taxes	1.862	1.862
Insurance	0.736	0.437
Legal and professional fees	0.045	0.035
Payment to auditor (Refer details below)	0.015	0.015
Bank charges	0.017	0.011
Miscellaneous expenses	0.000	0.005
	<u>2.680</u>	<u>2.371</u>

**Payment to auditor**

	31-Mar-22	31-Mar-21
	₹ million	₹ million
As auditor:		
Audit fee	0.015	0.015
	<u>0.015</u>	<u>0.015</u>



**Sobha Interiors Private Limited**

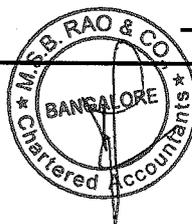
Notes to the financial statements for the year ended March 31, 2022

**15 Finance costs**

	31-Mar-22	31-Mar-21
	₹ million	₹ million
Interest		
- Others	13.601	12.176
<b>Total interest expense</b>	<b>13.601</b>	<b>12.176</b>

**16 Depreciation and amortization**

	31-Mar-22	31-Mar-21
	₹ million	₹ million
Depreciation of Investment property	4.291	4.732
	<b>4.291</b>	<b>4.732</b>



## Sobha Interiors Private Limited

Notes to the financial statements for the year ended March 31, 2022

- 17 Contingent liability:
- Disputed Income Tax liability - Rs. 33,32,178/-
  - Company has given security of its land and factory buildings and corporate guarantee for the credit facility availed by one of the related party
- 18 The company does not have any employees and hence no provision is considered in respect of employee benefits.
- 19 There is no expenditure or earnings in Foreign exchange during the period.
- 20 Based on the information available with the Company, no amount is due to the small & Micro Enterprises as under Micro, Small and Medium Enterprises Development Act, 2006
- 21 **RELATED PARTY DISCLOSURES;**

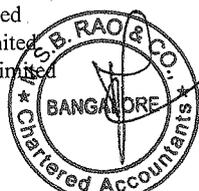
The names of the related parties with the description of relationships and transactions between the reporting enterprise and its related parties have been identified and certified by the management.

### a. List of Related Parties

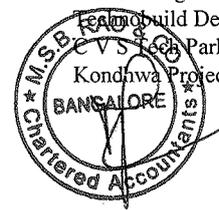
Holding Company : Sobha Developers Pune Limited wef 03-04-2019

#### Name of the Other Related Parties

Allapuzha Fine Real Estates Private Limited  
Aluva Realtors Private Limited  
Annalakshmi Land Developers Private Limited-(Upto 31-12-2021)  
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  
Kaloor Realtors Private Limited  
Kaveripuram Developers Private Limited  
Kilai Builders 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 Builders Private Limited  
Kuthavakkam Developers Private Limited  
Kuthavakkam Properties Private Limited  
Kuthavakkam Realtors 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  
 Sobha Tambaram Developers Limited  
 Sobha Nandambakkam Developers 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  
 Sobha Construction Prdocuts 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 L  
 Royal Interiors Private Limited  
 Sobha Academy Private Limited  
 Sobha Assets Private Limited  
 Sobha Aviation And Engineering Services Pvt Ltd  
 Sobha City  
 Sobha Contracting Private Limited  
 Sobha Limited  
 Sobha Electro Mechanical Private Limited  
 Sobha Glazing And Metal Works Private Limited  
 Sobha Highrise Ventures Private Limited  
 Sobha Hitechcity Developers Private Limited  
 Sobha Inncity 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  
 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  
 PNC Switchgears Private Limited  
 Teamobuild Developers Private Limited  
 C V S Tech Park Private Limited  
 Kondhwa Projects LLP



**b. Transaction with Related Parties**

Name of the Related Party	Nature of Relationship	Nature of transactions	Current Year	Previous year
			₹ million	₹ million
Sobha Limited	Other Related party	Rent received inclusive of fair value of security deposit	27.456	26.748

**c. Closing Balance at the year end:**

Name of the Related Party	Nature of Relationship	Nature of transactions	Current Year	Previous year
			₹ million	₹ million
Sobha Space Private Limited	Other Related party	Balance payable	27.349	27.349
Sobha Glazing and Metal Works Private Limited	Other Related party	Balance payable	0.001	0.001
Sobha Limited	Other Related party	Rent Deposit payable	121.942	108.355
		Balance Receivable	125.858	114.254
Sri Kurumba Educational and Charitable Trust	Other Related party	Balance Receivable	19.677	19.677
Sobha Limited	Other Related party	Security & Corporate Gurantee Given	1,100.00	1,100.00

**d. Key Managerial Personnel**

Mr.P N Devidas

Mr M Radhakrishnan

Mrs Lakshmi Kanthavara

**22 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 Equity shares into Equity Shares.

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

Particulars	Current Year	Previous year
Nominal value of equity shares	10	10
Profit after tax attributable to shareholders (Amount in ₹ million)	4.660	5.369
Weighted average number of equity shares outstanding during the year	600,030	600,030
<b>Basic EPS (In Rs)</b>	<b>7.766</b>	<b>8.947</b>

23 Details relating to Title deeds of Immovable Property not held in name of the Company : Nil

24 Details relating to ageing of Capital Work-in-Progress Nil

25 Details relating to ageing of Intangible assets under development Nil

26 Details relating to ageing of Trade Payables Nil

27 Details relating to loans or advances in the nature of Loans to Promoters, Directors, KMP and related parties Nil



28	Details relating to borrowings secured against current assets of the company	Nil
29	Details relating to Benami Property held by the Company	Nil
30	Details relating to utilization of borrowed funds and share premium	Nil
31	Details relating to declaration of the company as wilful defaulter by any bank or financial institution or other lender	Nil
32	Details relating to the nature of transaction carried out with the struck-off company	Nil
33	Details relating to the transactions under taken in Crypto or Virtual currency	Nil
34	Details relating to the undisclosed income reported	Nil
35	Details regarding registraion or satisfaction of charges with Registrar of Companies, beyond the statutory period	Nil
36	Details regarding compliance with number of layers of companies	Nil
37	Details regarding compliance with approved scheme of arrangements	Nil
38	Details regarding compliance with Corporate Social Responsibility	Nil

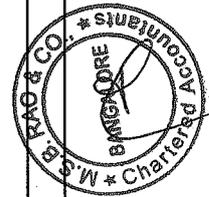


Sobha Interiors Private Limited

Notes to the financial statements for the year ended March 31, 2022

39

Trade Receivable ageing schedule (Gross receivable Amount)							₹ million	
Particulars	Not due for payment	Outstanding for following periods from due date of transaction (As on 31st March '22)					Total	
		Beyond due date of payment						
		Less than 6 months	6 months - 1 year	1-2 Years	2-3 years	More than 3 years		
(i) Undisputed Trade receivables – considered good (Gross)	Nil	5,265	4,755	9,152	20,542	105,820	145,535	
(ii) Undisputed Trade Receivables – which have significant increase in credit risk (Gross)	-	-	-	-	-	-	-	
(iii) Undisputed Trade Receivables – credit impaired (Gross)	-	-	-	-	-	-	-	
(iv) Disputed Trade Receivables–considered good (Gross)	-	-	-	-	-	-	-	
(v) Disputed Trade Receivables – which have significant increase in credit risk (Gross)	-	-	-	-	-	-	-	
(vi) Disputed Trade Receivables – credit impaired (Gross)	-	-	-	-	-	-	-	
Less: Provision	-	-	-	-	-	-	-	
<b>Net Receivables</b>	<b>Nil</b>	<b>5,265</b>	<b>4,755</b>	<b>9,152</b>	<b>20,542</b>	<b>105,820</b>	<b>145,535</b>	

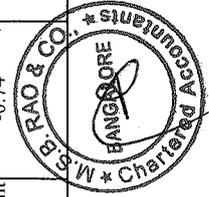


**Sobha Interiors Private Limited**

Notes to the financial statements for the year ended March 31, 2022

**Ratios**

Particulars	Numerator consists off	Denominator consists off	Current period ratio	Previous period ratio	% of variance	Reasons for variance
<b>Liquidity Ratio:</b> Current ratio	Current Assets	Current Liabilities	0.77	0.78	-0.60%	Nil
<b>Solvency Ratio:</b> Debt Equity ratio	Total Debt	Shareholder's Equity	Nil	Nil	Nil	Nil
Debt Service Coverage ratio	Earnings for debt service = Interest & Lease Payments + Principal Repayments	Debt service = Interest & Lease Payments + Principal Repayments	Nil	Nil	Nil	Nil
<b>Profitability Ratio:</b> Return on Equity	Net Profits after taxes - Preference Dividend	Average Equity	0.78	0.89	-13.20%	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	0.63	0.70	-10.65%	Nil
<b>Utilisation Ratio:</b> Trade Receivable Turnover Ratio	Net credit sales = Gross rent receipts	Average Trade Receivable	0.20	0.21	-5.09%	Nil
Inventory Turnover ratio	Cost of goods sold	Average Inventory				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 rent receipts	Working capital = Current assets - Current liabilities	-0.74	-0.81	-8.77%	Nil

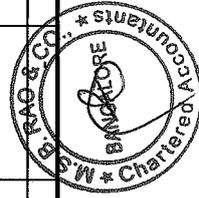


Sobha Interiors Private Limited  
Notes to the financial statements for the year ended March 31, 2022

41 Fair value measurements

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

Particulars	As at March 31, 2022		As at March 31, 2021		₹ million
	At Cost	Fair value through profit or loss	At Amortised Cost	Fair value through profit or loss	
				At Amortised Cost	
<b>Financial assets</b>					
Trade receivables	-	-	145,536	-	133,931
Cash and cash equivalents	-	-	0,823	-	0,773
<b>Total</b>	-	-	<b>146,359</b>	-	<b>134,704</b>
<b>Financial liabilities</b>					
Trade payables	-	-	-	-	-
Other financial liabilities	-	-	239,306	-	238,428
<b>Total</b>	-	-	<b>239,306</b>	-	<b>238,428</b>



## Sobha Interiors Private Limited

Notes to the financial statements for the year ended March 31, 2022

### 42 Financial risk management objectives and policies

The Company's principal financial liabilities comprise loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations to support its operations. The Company's principal financial assets include trade and other receivables and cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### A Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Financial instruments affected by market risk include loans and borrowings.

##### a. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's does not have any exposure to the risk of changes in market interest rates as it does not have any long-term debt obligations with floating interest rates. The Company does not enter into any interest rate swaps.

#### B Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The entity is exposed to credit risk from its operating activities (primarily trade receivables) and investing activities (short term bank deposits).

##### Trade receivables

Receivables resulting from sale of properties: Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore, substantially eliminating the Company's credit risk in this respect.

##### Financial instrument and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2022 and 31 March 2021 is the carrying amounts.

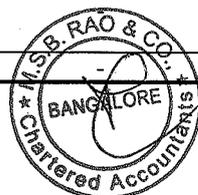
At the balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the balance sheet.

#### C Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank deposits and loans.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments (including interest payments):

	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	₹ million Total
<b>Year ended March 31, 2022</b>						
Other financial liabilities	239.306	-	-	-	-	239.306
	<b>239.306</b>	-	-	-	-	<b>239.306</b>
<b>Year ended March 31, 2021</b>						
Other financial liabilities	238.428	-	-	-	-	238.428
	<b>238.428</b>	-	-	-	-	<b>238.428</b>



**Sobha Interiors Private Limited**

Notes to the financial statements for the year ended March 31, 2022

**43 Dividend**

The company has not declared any dividend during the year.

**44 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 financial statements.

As per our report of even date  
For MSB Rao & Co  
ICAI Firm registration number:00672S  
Chartered Accountant



M S Babu Rao  
Proprietor  
Membership No.: 201467

Place: Bengaluru, India  
Date: 09-05-2022

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

P N Devidas  
Director  
DIN:02358034

Place: Bengaluru, India  
Date: 09-05-2022

M Radhakrishnan  
Director  
DIN:02226337

WDJW: 22201467 AJG, IKE 6210.