

INDEPENDENT AUDITOR'S REPORT

To the Members of Starworth Infrastructure & Construction Limited

Report on the Audit of the Financial Statements**Opinion**

We have audited the accompanying financial statements of Starworth Infrastructure & Construction Limited ("the Company"), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matter

- (i) We draw attention to Note 35 (b) (ii) to the accompanying financial statements in connection with an ongoing litigation with its customer. Pending resolution of the litigation and based on legal opinion obtained by the management, no provision has been made towards the customer's counter-claims and the underlying receivables and inventories are classified as good and recoverable in the accompanying financial statements. Our opinion is not modified in respect of this matter.
- (ii) We draw attention to Note 35 (b) (iii) to the accompanying financial statements in connection with an ongoing litigation with its vendor. Pending resolution of the litigation and legal opinion obtained by the management, no provision has been made towards the advance made to vendor and the underlying amount is classified as good and recoverable in the accompanying financial statements. Our opinion is not modified in respect of this matter.
- (iii) We draw attention to Note 2.4 to the accompanying financial statements for the year ended March 31, 2022, which describes the management's evaluation of Covid-19 impact on the business operations and cash flows of the Company. In view of the uncertain economic conditions, the management's evaluation of the impact on the subsequent periods is highly dependent upon conditions as they evolve. Our opinion is not modified in respect of this matter.



Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not



detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (e) The matters described in Emphasis of Matter paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (f) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (h) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 35(b) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any provision for 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, as disclosed in the note 41(v) to the financial statements no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("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, as disclosed in the note 41(vi) to the financial statements no funds have been received by the Company from any persons or entities, including foreign entities ("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; and
c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

v. No dividend has been declared or paid during the year by the Company.

For S.R. Batliboi & Associates LLP

Chartered Accountants

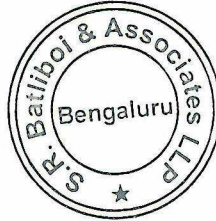
ICAI Firm Registration Number: 101049W/E300004

per Sudhir Kumar Jain

Partner

Membership Number: 213157

UDIN: 22213157AJNIZD1250



Place: Bengaluru

Date: May 24, 2022

Annexure '1' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Starworth Infrastructure & Construction Limited ("the Company")

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There is no immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), held by the Company and accordingly, the requirement to report on clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder as disclosed in the note 41(i) to the financial statements.
- (ii) (a) Having regard to the nature of inventory comprising of raw materials and construction work in progress, the management has conducted physical verification of inventory including by way of site visits and certification of extent of work completion by competent persons, at reasonable intervals during the year. In our opinion the coverage and the procedure of such verification by the management is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.
- (b) The Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from bank during the year on the basis of security of current assets of the Company. As disclosed in note 16 to the financial statements, the Company has not filed any quarterly returns/statements with such bank during the year.
- (iii) (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
- (b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.



- (c) The Company has not granted loans and advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.
- (d) The Company has not granted loans or advances in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013('the Act') are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the construction activities and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there have been slight delays in few cases. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.
- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year as disclosed in note 41(vii) to the financial statements. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (ix) (a) Loans amounting to Rs. 3,364.93 lakhs are repayable on demand, such loans have not been demanded for repayment during the year. The Company has not defaulted in repayment of other borrowings or payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) and hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares/fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No material fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a,b and c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 of the Act are not applicable to the Company and accordingly the requirements to report under clause 3(xiii) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as part of the Group, and hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year. The Company has not incurred cash losses in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company
- (xix) On the basis of the financial ratios disclosed in note 33 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 29(B) to the financial statements.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (b) All amounts that are unspent under section (5) of section 135 of the Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the Act. This matter has been disclosed in note 29(B) to the financial statements.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Sudhir Kumar Jain

Partner

Membership Number: 213157

UDIN: 22213157AJNIZD1250

Place: Bengaluru

Date: May 24, 2022



Annexure '2' referred to in paragraph under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: Starworth Infrastructure & Construction Private Limited ("the Company")

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Starworth Infrastructure & Construction Limited ("the Company") as of March 31, 2022, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.



Meaning of Internal Financial Controls with reference to these financial statements

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

Inherent Limitations of Internal Financial Controls with reference to the financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 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 issued by the ICAI.

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 101049W/E300004

per Sudhir Kumar Jain
Partner

Membership Number: 213157

UDIN: 22213157AJNIZD1250

Place: Bengaluru

Date: May 24, 2022



Starworth Infrastructure & Construction Limited
CIN: U45201KA2008PLC047441

Balance Sheet as at March 31, 2022

(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

	Note	March 31, 2022	March 31, 2021
ASSETS			
Non - Current Assets			
(a) Property, Plant and equipment	3	3,175.52	3,756.20
(b) Intangible assets	4	7.97	11.15
(c) Financial assets			
(i) Other financial assets	5a	71.28	36.69
(d) Deferred tax assets (net)	9	340.72	326.62
(e) Assets for current tax (net)	6	497.78	243.47
Total non - Current assets		4,093.27	4,374.13
Current assets			
(a) Inventories	10	7,417.19	6,968.02
(b) Financial assets			
(i) Trade receivables	11	4,109.51	2,849.67
(ii) Cash and cash equivalents	12	16.44	46.99
(iii) Bank balances other than (ii) above	13	-	-
(iv) Other financial assets	5b	5,543.88	4,553.95
(c) Other current assets	7	1,605.92	1,304.26
Total Current assets		18,692.94	15,722.89
Total assets		22,786.21	20,097.02
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	14	5.00	5.00
(b) Other equity	15	2,794.64	2,274.46
Total equity		2,799.64	2,279.46
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16a	1,110.13	1,477.95
(ii) Lease liabilities	17a	51.56	193.97
(b) Provisions	19a	220.23	333.34
(c) Other non-current liabilities	21a	1,568.75	2,018.08
Total non-current liabilities		2,950.67	4,023.34
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	16b	4,068.03	4,112.77
(ii) Lease liabilities	17b	218.28	145.58
(iii) Trade payables	20		
(A) Total outstanding dues of micro enterprises and small enterprises		690.19	687.51
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		9,102.55	6,932.88
(iv) Other financial liabilities	18	96.22	90.81
(b) Other current liabilities	21b	2,790.66	1,764.12
(c) Provisions	19b	69.97	60.55
Total current liabilities		17,035.90	13,794.22
Total equity and liabilities		22,786.21	20,097.02

Summary of significant accounting policies

2.2

The accompanying notes referred to above form an integral part of the financial statements

As per report of even date

For S.R. Batliboi & Associates LLP

Chartered Accountants

ICAI Firm registration number: 101049W/E300004

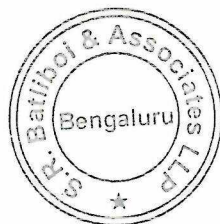
per Sudhir Kumar Jain

Partner

Membership no.: 213157

Bengaluru

May 24, 2022



For and on behalf of the Board of Directors of
Starworth Infrastructure & Construction Limited

Nani R. Choksey *K Satyanarayana*

Nani R Choksey

Director

DIN 00504555

K Satyanarayana

Managing Director

DIN 07160142

Bengaluru

May 24, 2022



Starworth Infrastructure & Construction Limited
CIN: U45201KA2008PLC047441
Statement of Profit and Loss for the year ended March 31, 2022
(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

	Note	March 31, 2022	March 31, 2021
Income			
Revenue from operations	22	23,695.32	6,742.27
Other income	23	939.21	136.34
Total		24,634.53	6,878.61
Expenses			
Sub-contractor cost		9,121.53	4,125.93
Cost of raw materials, components and stores consumed	24	9,456.98	3,262.81
(Increase)/ decrease in inventories of construction work-in-progress	25	531.38	(4,303.01)
Employee benefits expense	26	2,248.79	1,854.48
Finance costs	27	456.49	586.15
Depreciation and amortization expenses	28	671.25	803.51
Other expenses	29	1,492.39	931.71
Total expenses		23,978.81	7,261.58
Profit/(loss) before tax		655.72	(382.97)
Tax expense	8		
Current Tax		188.65	-
Deferred Tax		(24.50)	(98.40)
Total tax expense		164.15	(98.40)
Profit/(loss) for the year		491.57	(284.57)
Other comprehensive income ('OCI')			
Items that will not be reclassified to profit or loss			
(i) Re-measurement gains/(losses) on defined benefit plans		39.01	(22.18)
(ii) Income tax relating to above		(10.40)	5.77
Total other comprehensive income		28.61	(16.41)
Total comprehensive income/(loss) for the year (comprising profit and OCI)		520.18	(300.98)
Earnings per equity share ('EPS')			
[Nominal value per equity share Rs. 10 (March 31, 2021 - Rs.10)]			
Basic (Rs.)		983.14	(569.14)
Diluted (Rs.)		983.14	(569.14)
Weighted average number of equity shares used in computation of EPS			
Basic - in numbers lakhs		0.50	0.50
Diluted - in numbers lakhs		0.50	0.50

Summary of significant accounting policies

2.2

The accompanying notes referred to above form an integral part of the financial statements

As per report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Suchir Kumar Jain
Partner
Membership no.: 213157

Bengaluru
May 24, 2022



For and on behalf of the Board of Directors of
Starworth Infrastructure & Construction Limited

Nani R Choksey
Director
DIN 00504555

Bengaluru
May 24, 2022

K Satyanarayana
Managing Director
DIN 07160142



Starworth Infrastructure & Construction Limited
CIN: U45201KA2008PLC047441
Statement of cash flow for the year ended March 31, 2022
(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

	Note	March 31, 2022	March 31, 2021
A. Cash flow from operating activities			
Profit/(loss) before tax		655.72	(382.97)
Adjustments to reconcile profit after tax to net cash flows:			
Depreciation and amortization expense		671.25	803.51
Profit on sale of property, plant and equipment		(412.48)	-
Finance costs		456.49	586.15
Interest income		(2.91)	(32.89)
Rent Concessions for leases		(18.78)	(54.92)
Provision for other receivables		347.19	-
Liabilities/provisions no longer required written-back		(505.04)	(48.53)
Operating profit before working capital changes		1,191.44	870.35
Working capital adjustments:			
(Increase)/decrease in trade receivables		(1,259.84)	806.70
(Increase)/ decrease in inventories		(449.17)	(4,203.18)
(Increase)/ decrease in loans		-	(6.52)
(Increase)/ decrease in other financial assets		(1,024.53)	2,102.63
(Increase)/ decrease in other assets		(306.17)	(233.72)
Increase/ (decrease) in trade payables		2,330.20	496.36
Increase/ (decrease) in other financial liabilities		5.41	(45.36)
Increase/ (decrease) in other liabilities		577.21	187.67
Increase/ (decrease) in provisions		(64.68)	15.72
Cash (used in)/ received from operations		999.87	(9.34)
Income tax refunded/(paid) (net)		(442.96)	1,512.33
Net cash flows (used in)/from operating activities		556.91	1,502.99
B. Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets (including capital work in progress and capital advances)		(528.56)	(199.58)
Proceeds from sale of property, plant and equipment		974.56	-
Net cash flows from / (used in) investing activities		446.00	(199.58)
C. Cash flows from financing activities			
Proceeds from Term loans		356.89	833.76
Repayment of Term loans		(593.33)	(224.87)
Loans taken from related Parties		1,787.08	800.00
Loans repaid to related parties		(1,977.24)	(1,432.51)
Payment of interest portion of lease liabilities		(34.28)	(30.50)
Payment of principal portion of lease liabilities		(175.51)	(117.35)
Interest and other charges paid		(411.11)	(537.02)
Net Cash (Used in)/ from financing activities		(1,047.50)	(708.50)
Net (decrease)/increase in cash and cash equivalents (A + B + C)		(44.59)	594.92
Cash and cash equivalents at the beginning of the year		(1,813.14)	(2,408.06)
Cash and cash equivalents at the end of the year		(1,857.73)	(1,813.14)
Components of Cash and Cash equivalents:			
Cash and cash equivalents	12		
Balances with banks			
In current accounts		7.25	38.89
Cash on hand		9.19	8.10
		16.44	46.99
Less: Cash credit facilities from banks	16	(1,874.17)	(1,860.13)
Cash and cash equivalents reported in cash flow statement above		(1,857.73)	(1,813.14)
Changes in liabilities arising from financing activities and changes in assets arising from non-cash investing activities relating to right of use assets	12 & 34		
Summary of significant accounting policies	2.2		

The accompanying notes referred to above form an integral part of the financial statements

As per report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049WE300004

per Sudhir Kumar Jain
Partner
Membership no.: 213157

Bengaluru
May 24, 2022



For and on behalf of the Board of Directors of
Starworth Infrastructure & Construction Limited

Nani R Choksey
Director
DIN 00504555

Bengaluru
May 24, 2022

K Satyanarayana
Managing Director
DIN 07160142



Starworth Infrastructure & Construction Limited
CIN: U45201KA2008PLC047441
Statement of changes in equity for the year ended March 31, 2022
(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

A. Equity share capital
(refer note 14)

	As at 01 April 2020	Movement during 2020-21	As at March 31, 2021	Movement during 2021-22	As at March 31, 2022
Equity share of Rs.10 each fully paid 0.50 lakh (March 31, 2021 - 0.50 lakh) equity shares	5.00	-	5.00	-	5.00
	5.00	-	5.00	-	5.00

B. Other equity
(refer note 15)

	Other contributions by shareholders	Reserves and surplus - Retained Earnings	Total
Balance as at 01 April 2020	62.36	2,513.08	2,575.44
Loss for the year	-	(284.57)	(284.57)
Other comprehensive income/(loss)	-	(16.41)	(16.41)
Total comprehensive income for the year	-	(300.98)	(300.98)
Balance as at 31 March 2021	62.36	2,212.10	2,274.46
Balance as at 01 April 2021	62.36	2,212.10	2,274.46
Profit for the year	-	491.57	491.57
Other comprehensive income/(loss)	-	28.61	28.61
Total comprehensive income for the year	-	520.18	520.18
Balance as at 31 March 2022	62.36	2,732.28	2,794.64

Summary of significant accounting policies

2.2

The accompanying notes referred to above form an integral part of the financial statements

As per report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004

per Sudhir Kumar Jain
Partner
Membership no.: 213157

Bengaluru
May 24, 2022



For and on behalf of the Board of Directors of
Starworth Infrastructure & Construction Limited

Nani R. Choksey *K. Satyanarayana*

Nani R Choksey
Director
DIN 00504555

K Satyanarayana
Managing Director
DIN 07160142

Bengaluru
May 24, 2022



Starworth Infrastructure & Construction Limited
Notes to Financial Statements for the year ended March 31, 2022
CIN: U45201KA2008PLC047441
(All amounts in Indian Rs. Lakh, unless otherwise stated)

1. Corporate information

Starworth Infrastructure & Construction Limited (the 'Company') was incorporated on August 13, 2008 under the provisions of the Companies Act applicable in India ("Act"). The registered office is located at 130/1, Ulsoor Road, Bengaluru 560042, India, as a wholly owned subsidiary of Puravankara Limited. The Company is engaged in the business of providing real estate construction services.

The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on May 24, 2022.

2. Significant accounting policies

2.1 Basis of preparation

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (Ind AS compliant Schedule III). The financial statements of the Company are prepared and presented in accordance with Ind AS.

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013 and the amendments are applicable for financial periods commencing from April 01, 2021. The preparation of financial statements is after taking into consideration the effect of the amended Schedule III. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.2 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities. The effect of change in an accounting estimate is recognized prospectively.

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

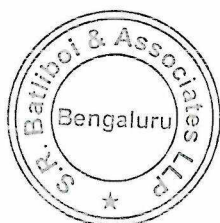
The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has evaluated and considered its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

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

(c) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

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 recognized in profit or loss as incurred.



Starworth Infrastructure & Construction Limited
Notes to Financial Statements for the year ended March 31, 2022
CIN: U45201KA2008PLC047441
(All amounts in Indian Rs. Lakh, unless otherwise stated)

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 its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

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.

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.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition 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 de-recognized.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work-in-progress. Capital work in progress is stated at cost, net of accumulated impairment loss, if any.

(d) Depreciation on property, plant and equipment

Depreciation is calculated on straight line method using the following useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013, except certain categories of assets whose useful life is estimated by the management based on planned usage and technical evaluation thereon:

Category of Asset	Useful lives (in years)	Useful lives as per Schedule II (in years)
Plant and machinery:		
- Shuttering materials	7	15
- Others	10	15
Furniture and fixtures	10	10
Computer equipment		
- Servers and networking equipment's	6	6
- End user devices	3	3
Office equipment	5	5
Motor Vehicles	8	8
Buildings	60	60

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) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets comprising of computer software are amortized using straight line method over a period of six years, which is estimated by the management to be the useful life of the asset.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when asset is derecognized.

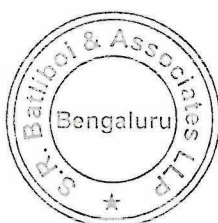
(f) Impairment

A. 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 recognizes 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.

B. 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) net selling price and its value in use. The 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. Where 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognized 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.

(g) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Where the Company is lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section 2.2(f) Impairment of non-financial assets.

ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Where the Company is lessor:

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Rental income under operating leases having variable rental income is recognized as per the terms of the contract.

(h) Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized/inventorised as part of the cost of the respective asset. All other borrowing costs are charged to statement of profit and loss.

(i) Inventories

Raw materials, components & stores and Construction Work-in-progress are stated at the lower of cost and net realisable value. Cost of inventories comprise all cost of purchase and other cost incurred in bringing them to their present location and condition.

Cost is determined on first in, first out basis.



Starworth Infrastructure & Construction Limited
Notes to Financial Statements for the year ended March 31, 2022
CIN: U45201KA2008PLC047441
(All amounts in Indian Rs. Lakh, unless otherwise stated)

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Direct expenditure relating to construction activity is inventorised as Construction Work-in-progress. Other expenditure relating to construction activity is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the construction activity.

(j) 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. Revenue is measured based on the transaction price, which is the consideration, adjusted for discounts and other credits, 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 recognises revenue from construction services over time, using an input method to measure progress towards satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company.

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.

Contract balances

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

Cost to obtain a contract

The Company recognises as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover those costs. The Company incurs costs such as sales commission when it enters into a new contract, which are directly related to winning the contract. The asset recognised is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

ii. Interest income

Interest income, including income arising from other financial instruments measured at amortised cost, is recognised using the effective interest rate method.

(k) Foreign currency translation

Functional and presentation currency

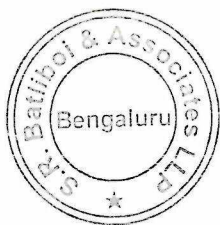
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Foreign currency transactions and balances

i) Initial recognition - 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.

ii) Conversion - Foreign currency monetary items are retranslated 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. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

iii) Exchange differences - The Company accounts for exchange differences arising on translation/ settlement of foreign currency monetary items as income or as expense in the period in which they arise.



(l) Retirement and other employee benefits

Retirement benefits in the form of state governed Employee Provident Fund and Employee State Insurance are defined contribution schemes (collectively the 'Schemes'). The Company has no obligation, other than the contribution payable to the Schemes. The Company recognizes contribution payable to the Schemes as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognized as an asset and the contribution due in excess of amount paid is recognized as a liability.

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the Company recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method, made at the end of each financial year. Actuarial gains/losses are immediately taken to the statement of profit and loss. The Company presents the accumulated leave liability as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for twelve months after the reporting date.

(m) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year.

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

i. Current income tax

Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

ii. Deferred income tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

(n) Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. 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 recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within 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 it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

(o) Financial Instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value at initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value measured on initial



Starworth Infrastructure & Construction Limited
Notes to Financial Statements for the year ended March 31, 2022
CIN: U45201KA2008PLC047441
(All amounts in Indian Rs. Lakh, unless otherwise stated)

recognition of financial asset or financial liability, except for transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss which are immediately recognized in statement of profit and loss.

- i. **Financial assets at fair value through other comprehensive income**
Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- ii. **Financial assets at fair value through profit or loss**
Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition.
- iii. **Debt instruments at amortized cost**
A 'debt instrument' is measured at the amortized 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.
After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized 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 amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.
- iv. **De-recognition of financial asset**
The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.
- v. **Financial liabilities**
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 including bank overdrafts. The subsequent measurement of financial liabilities depends on their classification, which is described below.
- vi. **Financial liabilities at fair value through profit or loss**
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
- vii. **Financial liabilities at amortized cost**
Financial liabilities are subsequently measured at amortized cost using the effective interest ('EIR') method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized 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 amortization is included as finance costs in the statement of profit and loss.
- viii. **De-recognition of financial liability**
A financial liability is derecognized 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 recognized in the statement of profit or loss.
- ix. **Fair value of financial instruments**
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.

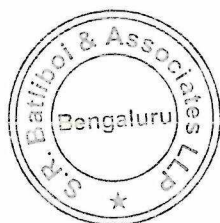
Fair value hierarchy:

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

- (p) **Cash dividend to equity holders of the Company**

The Company recognizes a liability to make cash distributions to equity holders of the Company when the distribution is authorized 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.



Starworth Infrastructure & Construction Limited
Notes to Financial Statements for the year ended March 31, 2022
CIN: U45201KA2008PLC047441
(All amounts in Indian Rs. Lakh, unless otherwise stated)

(q) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

(r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the Company's statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding cash credit/bank overdrafts as they are considered an integral part of the Company's cash management.

2.3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, 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 judgments, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Company's accounting policies, management makes judgement, estimates and assumptions which have the most significant effect on the amounts recognized in the financial statements.

The key judgements, estimates and 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 judgements, 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. Also refer note 2.4 regarding impact of Covid-19 pandemic.

i) Revenue from contracts with customers

The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

a) Revenue recognition and valuation of unbilled revenue

The Company uses the inputs method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its contractual projects, on the basis of the inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. Use of the inputs method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

b) Timing of satisfaction of performance obligation

Revenue from construction services is recognised when (or as) control of the constructed asset is transferred to the customer. The entity assesses timing of transfer of control of constructed asset to the customers as transferred over time if one of the following criteria are met:

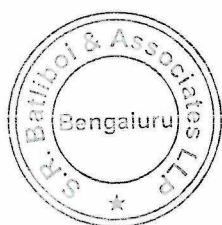
- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

ii) Estimation of net realizable value for inventory

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

iii) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.



Starworth Infrastructure & Construction Limited
Notes to Financial Statements for the year ended March 31, 2022
CIN: U45201KA2008PLC047441
(All amounts in Indian Rs. Lakh, unless otherwise stated)

iv) Defined benefit plans - Gratuity

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds. The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases are based on expected future inflation rates and expected salary increase thereon.

v) Measurement of financial instruments at amortized cost

Financial instrument are subsequently measured at amortized cost using the effective interest ('EIR') method. The computation of amortized cost is sensitive to the inputs to EIR including effective rate of interest, contractual cash flows and the expected life of the financial instrument. Changes in assumptions about these inputs could affect the reported value of financial instruments.

vi) Useful life and residual value of property, plant and equipment and intangible assets

The useful life and residual value of property, plant and equipment and intangible assets are determined based on evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimates the useful life and residual value are sensitive to the actual usage in future period.

vii) Provision for litigations and contingencies

Provision for litigations and contingencies is determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimates the ultimate outcome of such past events and measurement of the obligation amount. Due to judgements involved in such estimation the provision is sensitive to the actual outcome in future periods.

viii) Deferred tax assets

The Company has recognized deferred tax assets on unused tax losses, unused tax credits and deductible temporary differences as it is probable that future taxable profit will be available against which the same will be utilised. Basis the management's evaluation, the Company's business projections provide convincing evidence that there would be taxable profits generated by the Company in future to utilise the deferred tax assets being carried in the books as at the balance sheet date and accordingly, the above-mentioned deferred tax assets have been recognised.

2.4 Impact of pandemic Covid-19

The outbreak of Covid-19 pandemic globally and in India has caused significant disturbance and slowdown of economic activities. Consequently, the Company's operations were slowed down/suspended and accordingly the financial statements for the year ended March 31, 2022 are adversely impacted.

The Company has considered the possible effects that may result from the COVID-19 pandemic on the carrying value of assets [including property, plant and equipment, inventories, and receivables (including unbilled revenue)]. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information to assess the expected future performance of the Company. The Company has performed sensitivity analysis on the assumptions used and based on the current estimates, the Company expects that the carrying amount of these assets as reflected in the balance sheet as at March 31, 2022, are fully recoverable. The management has estimated the future cash flows for the Company with the possible effects that may result from the COVID-19 pandemic and does not foresee any adverse impact on realising its assets and in meeting its liabilities as and when they fall due. The actual impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial statements.

The outbreak of Covid-19 has impacted construction operations and project completion timelines of certain ongoing customer contracts of the Company. The Company is carrying construction work in progress as at March 31, 2022 and having regard to the Company's ongoing discussions with its customers towards the construction work, the Company is confident of billing the same in the ensuing year. Further, the Company has also initiated proceedings with its customer for extension of certain projects' completion timeline and waiver of liquidated damages thereon amounting to Rs.12 crores. Pending resolution of the aforesaid matter, no provision has been made towards the above matters in the accompanying financial statements based on the terms of the customer contracts and impact of Covid-19 pandemic.

The Company will continue to closely observe the evolving scenario and take into account any future developments arising out of the same.



3 Property, plant and equipment

	Plant and machinery- Others	Office equipments	Computer equipments- end user devices	Furniture and fixtures	Vehicles	Plant and machinery- Shuttering material	Building*	Total
Gross carrying amount at cost **								
At April 1, 2020	2,724.20	24.02	33.46	13.92	21.33	3,446.99	711.77	6,975.66
Additions	28.34	0.24	0.33	0.62	-	170.04	6.98	206.56
Disposals	-	-	-	-	-	-	(79.20)	(79.20)
At March 31, 2021	2,752.54	24.26	33.79	14.54	21.33	3,617.03	639.55	7,103.02
Additions	84.12	8.38	1.72	3.18	-	431.16	120.91	649.47
Disposals	(1.33)	-	-	-	-	(2,048.72)	(43.56)	(2,093.61)
At March 31, 2022	2,835.33	32.64	35.51	17.72	21.33	1,999.47	716.90	5,658.88
Accumulated depreciation								
At April 1, 2020	445.71	11.67	13.17	3.57	16.37	1,853.30	282.37	2,626.17
Charge for the year	208.10	3.59	8.70	1.36	1.95	414.27	161.88	799.85
Adjustments for disposals	-	-	-	-	-	-	(79.20)	(79.20)
At March 31, 2021	653.81	15.26	21.87	4.93	18.32	2,267.57	365.05	3,346.82
Charge for the year	214.72	4.38	7.75	1.91	1.28	259.28	178.75	668.07
Adjustments for disposals	(0.29)	-	-	-	-	(1,487.68)	(43.56)	(1,531.53)
At March 31, 2022	868.24	19.64	29.62	6.84	19.60	1,039.17	500.24	2,483.36
Net block								
At March 31, 2021	2,098.73	9.00	11.92	9.61	3.01	1,349.46	274.50	3,756.20
At March 31, 2022	1,967.09	13.00	5.89	10.88	1.73	960.30	216.66	3,175.52

* Building represents right of use asset relating to building on lease. Also refer note 34

** On transition to Ind AS (i.e. 1 April 2015), the Company had elected to continue with the carrying value (net block value) of all Property, plant and equipment measured as per the previous GAAP and use that carrying value as the deemed cost of Property, plant and equipment.

Notes:

a. Capitalized borrowing cost

There are no borrowing costs capitalized during the year ended 31 March 2022 and 31 March 2021.

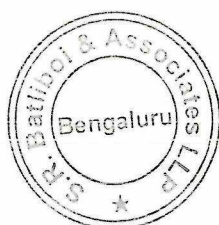
b. Property, plant and equipment pledged as security

Details of assets pledged are as per note no.16

4 Intangible assets

	Computer software	Total
Gross Carrying amount at cost *		
At April 1, 2020	22.47	22.47
Additions	-	-
At March 31, 2021	22.47	22.47
Additions	-	-
At March 31, 2022	22.47	22.47
Accumulated amortisation		
At April 1, 2020	7.67	7.67
Charge for the year	3.65	3.65
At March 31, 2021	11.32	11.32
Charge for the year	3.18	3.18
At March 31, 2022	14.50	14.50
Net block		
At March 31, 2021	11.15	11.15
At March 31, 2022	7.97	7.97

* On transition to Ind AS (i.e. 1 April 2015), the Company had elected to continue with the carrying value (net block value) of Intangibles measured as per the previous GAAP and use that carrying value as the deemed cost of Intangibles.



Starworth Infrastructure & Construction Limited
CIN: U45201KA2008PLC047441
Notes to Financial Statements for the year ended March 31, 2022
(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

5 Other financial assets (Unsecured, considered good)

March 31, 2022 March 31, 2021

a Non current

Non-current bank balances (note 13)
Security deposits

0.92 0.92

70.36 35.77

71.28 36.69

b Current

Security Deposits
Unbilled revenue
From related parties
From others *

34.46 26.83

2,888.82 2,408.24

2,620.60 2,118.88

5,543.88 4,553.95

5,615.16 4,590.64

* Refer note 35 (b)(ii)

6 Assets for current tax (net)

Non-current

Advance income tax [net of provision for tax Rs.205.67 lakhs (March 31, 2021: Rs.17.02 lakhs)]

497.78 243.47

497.78 243.47

7 Other Current assets (Unsecured, considered good)

Advances to suppliers **
Prepaid expenses
Duties and taxes recoverable
Other advances

645.07 331.00

27.70 50.35

918.60 917.11

14.55 5.80

1,605.92 1,304.26

** Refer note 35 (b)(iii)



8 Income tax

March 31, 2022 March 31, 2021

The major components of income tax expense are:

Statement of profit and loss:

Profit or loss section:

Current tax

Current income tax charge

188.65 -

Deferred tax

Relating to origination/ reversal of temporary differences

> Decrease/(increase) in deferred tax assets

(122.58) (98.40)

> (Decrease)/increase in deferred tax liabilities

98.07 -

Income tax expense reported in the statement of profit and loss

164.14 -98.40

OCI section:

Deferred tax related to items recognised in OCI during the year:

Income tax charge/(credit) relating to re-measurement gains/losses on defined benefit plans

10.40 (5.77)

Income tax charged to OCI

10.40 (5.77)

Reconciliation of tax expense and the accounting profit multiplied by India's tax rate

Accounting profit/(loss) before income tax

655.72 (382.97)

Statutory income tax rate applicable

27.82% 26.00%

Tax on accounting profit at statutory income tax rate

182.42 (99.57)

Effect of change in statutory income tax rate

(18.69) -

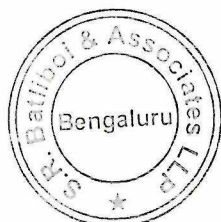
Others

0.41 1.17

Income tax expense

164.14 (98.40)

The Taxation Laws (Amendment) Ordinance, 2019 ('the Ordinance') provides an option to domestic companies to pay income-tax at a lower rate of 25.17% instead of the normal rate of 26%, if it opts for not availing of certain specified exemptions or incentives. The Company has made an assessment of the impact of the Ordinance and has decided to not opt for the lower tax rate of 25.17%. Consequently, the Company has continued to measure the current and deferred taxes at the normal rate of 27.82%.



9 Deferred tax assets (net)

	March 31, 2022	March 31, 2021
Deferred tax asset arising on account of :		
Impact of expenditure charged to the statement of profit and loss in a year but allowed for tax purposes in subsequent years	234.59	136.22
Carry forward of losses	-	94.94
MAT Credit entitlement	170.49	59.63
Impact of Ind AS 116	14.80	16.91
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	-	18.91
	<u>419.88</u>	<u>326.62</u>
Less: Deferred tax liability arising on account of :		
Fixed assets: Impact of difference between tax depreciation and depreciation/ amortization charged for the financial reporting	(79.16)	-
	<u>(79.16)</u>	<u>-</u>
	<u>340.72</u>	<u>326.62</u>

Reconciliation of deferred tax assets

	March 31, 2022	March 31, 2021
Net deferred tax asset at the beginning of the year	326.62	222.45
Tax income/(expense) during the year recognized in profit and loss	24.50	98.40
Tax income/(expense) during the year recognized in OCI	(10.40)	5.77
Net deferred tax asset at the end of the year	<u>340.72</u>	<u>326.62</u>

10 Inventories

(valued at lower of cost and net realisable value)

	March 31, 2022	March 31, 2021
Raw materials, components & stores	1,911.20	930.66
Construction Work-in-progress	5,505.99	6,037.36
	<u>7,417.19</u>	<u>6,968.02</u>

Note: (a) Details of assets pledged are as per note 16

(b) Also refer note 2.4 and 35 (b)(ii)

(c) The Amount of write-down of Inventories recognised during the year is Rs.24.46 lakhs (March 31, 2021 is Rs. 11.27 lakhs)

11 Trade receivables

(Unsecured)

	March 31, 2022	March 31, 2021
Considered good		
Dues from related parties	1,696.68	1,194.54
Dues from others	2,412.83	1,655.13
	<u>4,109.51</u>	<u>2,849.67</u>
Credit impaired		
Dues from others	2.03	4.88
	<u>2.03</u>	<u>4.88</u>
Less: Expected credit loss	(2.03)	(4.88)
	<u>-</u>	<u>-</u>
	<u>4,109.51</u>	<u>2,849.67</u>

Note: (a) Details of assets pledged are as per note 16

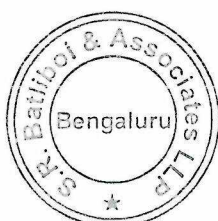
(b) Also refer note 35 (b)(ii)

Movement in Expected credit loss allowance under simplified approach

	March 31, 2022	March 31, 2021
Opening Balance	4.88	52.75
Less: Reversed during the year	(2.85)	(47.87)
Closing balance	<u>2.03</u>	<u>4.88</u>

Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member:

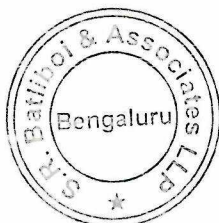
Dues from Purva Woodworks Private Limited in which Company's director is a director	-	0.72
Dues from Purva Star Properties Private Limited in which Company's director is a member	228.31	169.77
Total	<u>228.31</u>	<u>170.49</u>



Trade receivables Ageing Schedule

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2022							
Undisputed Trade Receivables – considered good	528.04	2,522.56	75.46	19.26	-	-	3,145.32
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	2.03	-	-	2.03
Disputed Trade receivables - considered good *	-	-	-	-	-	964.19	964.19
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	528.04	2,522.56	75.46	21.29	-	964.19	4,111.54
Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2021							
Undisputed Trade Receivables – considered good	902.41	884.35	54.78	43.93	-	-	1,885.47
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	4.88	-	-	4.88
Disputed Trade receivables - considered good *	-	-	-	-	30.08	934.12	964.20
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-	-
Total	902.41	884.35	54.78	48.81	30.08	934.12	2,854.55

* also refer note 35(b)(ii)



12 Cash and cash equivalents

	March 31, 2022	March 31, 2021
Balances with banks		
In current accounts	7.25	38.89
Cash on hand	9.19	8.10
	<u>16.44</u>	<u>46.99</u>

Note: Changes in liabilities arising from financing activities

(a) Borrowings:

Balance as at April 1, 2020
Add: Cash inflows
Less: Cash outflows
Add: Finance costs
Less: Interest and other charges paid
Less: Interest with respect to lease liability considered below
Less: Net decrease in cash credit considered as cash and cash equivalent
Net movement in current maturities of non current borrowings
Less: Non-cash items - Financial guarantee expense
Balance as at March 31, 2021
Add: Cash inflows
Less: Cash outflows
Add: Finance costs
Less: Interest and other charges paid
Less: Interest with respect to lease liability considered below
Add: Net increase in cash credit considered as cash and cash equivalent
Net movement in current maturities of non current borrowings
Less: Non-cash items - Financial guarantee expense
Balance as at March 31, 2022

Current	Non current	Total
5,047.96	1,165.53	6,213.49
800.00	833.76	1,633.76
(1,431.08)	(226.30)	(1,657.38)
231.86	354.29	586.15
(231.86)	(305.16)	(537.02)
-	(44.62)	(44.62)
(599.15)	-	(599.15)
295.04	(295.04)	-
-	(4.51)	(4.51)
<u>4,112.77</u>	<u>1,477.95</u>	<u>5,590.72</u>
1,787.08	356.89	2,143.97
(1,977.24)	(593.33)	(2,570.57)
165.81	287.77	453.58
(165.81)	(245.31)	(411.12)
-	(37.95)	(37.95)
14.04	-	14.04
131.38	(131.38)	-
-	(4.51)	(4.51)
<u>4,068.03</u>	<u>1,110.13</u>	<u>5,178.16</u>

(b) Lease liability

Balance as at April 1, 2020	490.72
Less :Payment of interest portion of lease liabilities	(30.50)
Less: Payment of principal portion of lease liabilities	(117.35)
Less : Rent concessions for leases	(54.92)
Add: Accretion of interest	44.62
Add: Non-cash additions to right of use assets (also refer note 3)	6.98
Balance as at March 31, 2021	339.55
Less :Payment of interest portion of lease liabilities	(34.28)
Less: Payment of principal portion of lease liabilities	(175.51)
Less : Rent concessions for leases	(18.78)
Add: Accretion of interest	37.95
Add: Non-cash additions to right of use assets (also refer note 3)	120.91
Balance as at March 31, 2022	269.84

13 Bank balances other than cash and cash equivalents

	March 31, 2022	March 31, 2021
Non-current		
Margin money deposits	0.92	0.92
	<u>0.92</u>	<u>0.92</u>
Amount disclosed under non-current assets (refer note 5)	(0.92)	(0.92)
	<u>-</u>	<u>-</u>

Notes:

1) Margin money deposits represents earmarked bank balances restricted for use held as margin money for security against the guarantees and deposits.



14 Equity share capital March 31, 2022 March 31, 2021

Authorised shares

100 lakh (March 31, 2021 - 0.5 lakh) equity shares of Rs. 10 each 1,000 5.00

During the year ended 31 March 2022, the authorised share capital of the Company is increased by 99.50 lakhs equity shares of Rs.10 each.

Issued, subscribed and fully paid-up shares

0.5 lakh (March 31, 2021 - 0.5 lakh) equity shares of Rs. 10 each 5.00 5.00
5.00 5.00

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

	March 31, 2022		March 31, 2021	
	No. in lakh	Rs. lakh	No. in lakh	Rs. lakh
Equity shares of Rs.10 each fully paid-up				
Balance at the beginning of the year	0.50	5.00	0.50	5.00
Movement during the year	-	-	-	-
Outstanding at the end of the year	0.50	5.00	0.50	5.00

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend.

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

c. Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

	March 31, 2022	March 31, 2021
	Rs. in lakh	Rs. in lakh
Puravankara Limited, the holding company		
0.50 lakh (March 31, 2021 - 0.50 lakh) equity shares of Rs. 10 each	5.00	5.00

d. Details of shareholders holding more than 5% shares in the company

	March 31, 2022		March 31, 2021	
	No. in lakh	% holding in the class	No. in lakh	% holding in the class
Equity shares of Rs.10 each fully paid-up				
Puravankara Limited, the holding company	0.50	100.00%	0.50	100.00%

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

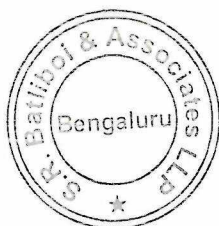
e. Shares held by promoters

As at March 31, 2022

Promoter Name	Class of equity shares	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Puravankara Limited	Equity shares of Rs. 10 each	0.50	-	0.50	100%	-

As at March 31, 2021

Promoter Name	Class of equity shares	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares	% change during the year
Puravankara Limited	Equity shares of Rs. 10 each	0.50	-	0.50	100%	-



(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

15 Other equity

	March 31, 2022	March 31, 2021
Retained earnings		
Balance at the beginning of the year	2,212.10	2,513.08
Total comprehensive income/(loss) for the year	520.18	(300.98)
Balance at the end of the year	<u>2,732.28</u>	<u>2,212.10</u>
Other contributions by shareholders*		
Balance at the beginning of the year	62.36	62.36
Movement during the year	-	-
Balance at the end of the year	<u>62.36</u>	<u>62.36</u>
Total other equity	<u>2,794.64</u>	<u>2,274.46</u>

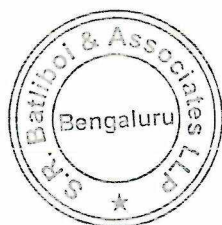
* Represents other contributions by shareholders in the nature of financial guarantee benefit received by the Company from its holding company.

As required under Ind AS compliant Schedule III, the Company has recognised remeasurement gains/ (losses) on defined benefit plans (net of tax) of Rs.28.61 lakhs [March 31, 2021: Rs.(16.41) lakhs] as part of retained earnings.

16 Borrowings

	March 31, 2022	March 31, 2021
a Non-current borrowings		
Secured		
Term loans		
From banks	969.40	1,272.00
From others	843.83	777.67
	<u>1,813.23</u>	<u>2,049.67</u>
Less: Current maturities of Term loans - disclosed under the head "Current Borrowings"	<u>(703.10)</u>	<u>(571.72)</u>
	<u>1,110.13</u>	<u>1,477.95</u>
b Current borrowings		
Unsecured		
Loans repayable on demand		
Loans from related parties	1,490.76	1,680.92
Secured		
Current Maturities of Term loans		
From banks	492.38	354.92
From others	210.72	216.80
Loans repayable on demand		
Cash credit from banks	1,874.17	1,860.13
	<u>4,068.03</u>	<u>4,112.77</u>
	<u>5,178.16</u>	<u>5,590.72</u>

Note: As at March 31, 2022, the Company has available Rs.925.83 lakhs (March 31, 2021 Rs. 939.86 lakhs) of undrawn committed borrowing facilities.



Starworth Infrastructure & Construction Limited
CIN: U45201KA2008PLC047441
Notes to Financial Statements for the year ended March 31, 2022
(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

16 Borrowings (continued)

Note 1: Assets pledged as security

The carrying amounts of assets pledged as security for borrowings are:

	March 31, 2022	March 31, 2021
Trade receivables	4,109.51	2,849.67
Inventories	7,417.19	6,968.02
Property, plant and equipment	1,843.14	2,065.21
Total assets pledged as security	13,369.84	11,882.90

Note 2: Details of nature of security, guarantees given by directors and repayment terms of borrowings

Non-current borrowings

Nature of loan	March 31, 2022	March 31, 2021	Effective interest rate	Maturity year	Repayment details	Nature of security	Nature of guarantee
Term loans from banks	584.40	852.00	8-11%	Upto 2023-27	36 to 60 instalments	Property, plant & equipment	Guarantee given by Puravankara Limited
Term loans from others	422.00	631.75	9-11%	Upto 2024-25	36 to 60 instalments	Property, plant & equipment	Guarantee given by Puravankara Limited
Term loans from banks	385.00	420.00	9-10%	2024	48 instalments	Inventory and trade receivables	-
Term loans from others	421.83	145.92	9-10%	Upto 2025-27	48 to 60 instalments	Property, plant & equipment	-
Total	1,813.23	2,049.67					

Current borrowings

Nature of loan	March 31, 2022	March 31, 2021	Effective interest rate	Maturity	Repayment details	Nature of security	Nature of guarantee
Cash credit from banks	1,874.17	1,860.13	9-10%	On demand	On demand	Inventory and trade receivables	Guarantee given by Puravankara Limited
Loans from related parties	1,490.76	1,680.92	*	*	*	*	*
Total	3,364.93	3,541.05					

*Loan from related parties represents interest free unsecured loans repayable on demand.

Note 3:

- The Company has not filed any quarterly returns/statements with banks or financial institutions during the year for its current borrowings.
- The above loans were applied for the purpose for which such loans were obtained. Also, the Company has not defaulted in repayment of the above loans and interest thereon.
- No funds raised on short-term basis have been used for long-term purposes by the Company.



(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

17 Lease liabilities

	March 31, 2022	March 31, 2021
a Non-current		
Lease Liability (refer note 34)	51.56	193.97
	51.56	193.97
b Current		
Lease Liability (refer note 34)	218.28	145.58
	218.28	145.58
	269.84	339.55

18 Other Current financial liabilities

	March 31, 2022	March 31, 2021
Employee benefits payable	96.22	90.81
	96.22	90.81

19 Provisions

	March 31, 2022	March 31, 2021
a Non-current		
Provision for employee benefits		
Gratuity (refer note 38)	220.23	333.34
	220.23	333.34
b Current		
Provision for employee benefits		
Gratuity (refer note 38)	31.36	19.52
Leave benefits	38.61	41.03
	69.97	60.55
	290.20	393.89

20 Trade payables

	March 31, 2022	March 31, 2021
Trade payables		
- Total outstanding dues of micro enterprises and small enterprises	690.19	687.51
- Total outstanding dues of creditors other than micro and small enterprises		
Payable to related parties	268.94	278.27
Payable to others	8,833.61	6,654.61
	9,792.74	7,620.39

Disclosures of dues to Micro, Small and Medium enterprises

The information as required under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors. The Company has not received any claim for interest from any supplier under the said Act.

i. The principal amount remaining unpaid	640.27	644.26
ii. Interest due thereon remaining unpaid	49.92	43.25
iii. The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
iv. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
v. The amount of interest accrued during the year and remaining unpaid	49.92	43.25
vi. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-



Trade payables Ageing Schedule

As at 31 March 2022	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	331.50	116.71	14.04	178.03	640.28
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,843.79	672.22	454.53	1,181.90	9,152.44
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	7,175.29	788.93	468.57	1,359.93	9,792.72

As at 31 March 2021	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Total outstanding dues of micro enterprises and small enterprises	334.50	84.90	116.06	108.80	644.26
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,266.58	1,241.21	416.61	1,051.73	6,976.13
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
	4,601.08	1,326.11	532.67	1,160.53	7,620.39

21 Other liabilities

a Non-current

Advance received from customers

From related parties

From others

March 31, 2022 March 31, 2021

1,568.75 1,298.33

- 719.75

1,568.75 2,018.08

b Current

Advance received from customers

From related parties

From others

Statutory dues payable

Liability towards Corporate Social Responsibility

Other payables

1,207.74 894.43

1,426.27 770.83

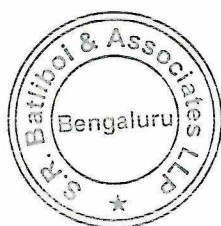
156.03 79.51

0.62 6.85

- 12.50

2,790.66 1,764.12

4,359.41 3,782.20



(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

22 Revenue from operations

	March 31, 2022	March 31, 2021
Revenue from contract with customers		
a) Revenue from construction services	23,645.27	6,726.96
b) Scap sales	50.05	15.31
	<u>23,695.32</u>	<u>6,742.27</u>

Also refer note 39

23 Other income

	March 31, 2022	March 31, 2021
Interest on:		
Income tax refund	-	32.89
Others	2.91	-
Liabilities/provisions no longer required written-back	505.04	48.53
Profit on sale of property, plant and equipment	412.48	-
Rent Concessions for leases (refer note 34)	18.78	54.92
	<u>939.21</u>	<u>136.34</u>

24 Cost of raw materials, components and stores consumed

	March 31, 2022	March 31, 2021
Inventories at the beginning of the year	930.66	1,030.48
Add : Purchases during the year	10,437.52	3,162.99
	<u>11,368.18</u>	<u>4,193.47</u>
Less : Inventories at the end of the year	1,911.20	930.66
	<u>9,456.98</u>	<u>3,262.81</u>

25 (Increase)/ decrease in inventories of construction work-in-progress

	March 31, 2022	March 31, 2021
Inventories at the beginning of the year		
Construction work in progress	6,037.37	1,734.36
Inventories at the end of the year		
Construction work in progress	5,505.99	6,037.37
	<u>531.38</u>	<u>(4,303.01)</u>

26 Employee benefits expense

	March 31, 2022	March 31, 2021
Salaries, wages and bonus	1,978.22	1,598.44
Contribution to provident fund and other funds	209.03	214.56
Staff welfare	61.54	41.48
	<u>2,248.79</u>	<u>1,854.48</u>

27 Finance costs

	March 31, 2022	March 31, 2021
Interest on borrowings	335.64	383.07
Bank and other charges	82.90	158.46
Interest on lease liabilities (refer note 34)	37.95	44.62
	<u>456.49</u>	<u>586.15</u>

28 Depreciation and amortization expense

	March 31, 2022	March 31, 2021
Depreciation of property, plant and equipment (refer note 3)	489.32	637.97
Amortization of intangible assets (refer note 4)	3.18	3.66
Depreciation of right-of-use assets (refer note 3)	178.75	161.88
	<u>671.25</u>	<u>803.51</u>



(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

29 Other expenses

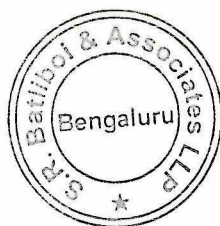
	March 31, 2022	March 31, 2021
Travel and conveyance	42.90	30.20
Repairs and maintenance		
- plant & machinery	-	1.48
- others	242.96	229.54
Legal and professional fees (refer note below)	171.29	173.14
Rent (refer note 34)	93.79	66.14
Rates and taxes	121.69	59.84
Security Charges	279.85	248.79
Communication costs	5.52	5.14
Printing and stationery	11.84	8.01
Advertising and sales promotion	5.28	0.42
Foreign exchange loss/(gain)	3.60	4.11
CSR expenditure (refer note below)	0.62	10.02
Provision for other receivables	347.19	-
Miscellaneous expenses	165.86	94.88
	1,492.39	931.71

Notes:

A. Payment to auditor [included in legal and professional charges]

As auditor:

Audit fee	12.00	11.50
Certification fee	-	0.75
Reimbursement of expenses	0.37	0.60
	12.37	12.85



(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

B. Details of CSR expenditure:

- (a) Gross amount required to be spent during the year
(b) Amount approved by the Board to be spent during the year

March 31, 2022	March 31, 2021
0.62	10.02
0.62	10.02

- (c) Amount spent during the year ending on March 31, 2022:

- (i) Construction/acquisition of any asset
(ii) On purposes other than (i) above

Amount Spent	Amount yet to be spent	Total
-	-	-
-	0.62	0.62
-	0.62	0.62

- (d) Amount spent during the year ending on March 31, 2021:

- (i) Construction/acquisition of any asset
(ii) On purposes other than (i) above

Amount Spent	Amount yet to be spent	Total
-	-	-
3.18	6.85	10.02
3.18	6.85	10.02

- (e) Details related to spent / unspent :

- (i) Contribution to Public Trust
(ii) Contribution to Charitable Trust
(iii) Spent on identified projects
(iii) Unspent money in relation to :
Ongoing project **
Other than ongoing project *

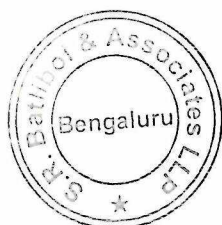
March 31, 2022	March 31, 2021
-	-
-	-
-	3.18
-	-
0.62	6.85
-	-
0.62	10.02

- (f) Details of ongoing project:

Opening Balance		Amount required to be spent during the year	Amount spent during the year		Closing Balance	
With Company	In Separate CSR Unspent A/c		From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
-	6.85	0.62	-	6.85	-	0.62

* In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Act, in compliance with second proviso to sub section 5 of section 135 of the Act.

** All amounts that are unspent under section (5) of section 135 of the Act, pursuant to any ongoing project, has been transferred to special account in compliance of with provisions of sub section (6) of section 135 of the Act.



(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

30 Fair Value Measurements

The fair value of the financial assets and liabilities is determined as the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

>The management assessed that the carrying values of cash and cash equivalents, trade receivables, trade payables and other financial assets and liabilities (as listed below) approximate their fair values largely either due to their short-term maturities.

> The management assessed that the carrying values of bank deposits, borrowings and other financial assets and liabilities approximate their fair values based on cash flow discounting using parameters such as interest rates, tenure of instrument, creditworthiness of the customer and the risk characteristics of the financed project, as applicable.

These financial assets and financial liabilities as summarised below are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs as explained above. There have been no transfers between levels during the year.

Break up of financial assets measured at amortized cost	Notes	March 31, 2022	March 31, 2021
Trade receivables	11	4,109.51	2,849.67
Cash and cash equivalents	12	16.44	46.99
Other current financial assets	5a	5,543.88	4,553.95
Other non-current financial assets	5b	71.28	36.69
		<u>9,741.11</u>	<u>7,487.30</u>
Break up of financial liabilities measured at amortized cost	Notes	March 31, 2022	March 31, 2021
Non-current borrowings	16a	1,110.13	1,477.95
Current Borrowings	16b	4,068.03	4,112.77
Non Current Lease Liabilities	17a	51.56	193.97
Current Lease Liabilities	17b	218.28	145.58
Trade payable	20	9,792.74	7,620.39
Other current financial liabilities	21a	96.22	90.81
		<u>15,336.96</u>	<u>13,641.47</u>

31 Financial risk management

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

The Company's activities expose it to market risk, liquidity risk and credit risk.

The Company's management oversees the management of these risks and ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

a. Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. Credit risk arises from cash and cash equivalents, trade receivables and deposits with banks and financial institutions.

Credit risk management

Other financial assets like bank deposits and other receivables are mostly with banks and hence, the Company does not expect any credit risk with respect to these financial assets.

With respect to trade receivables/ unbilled revenue, the Company has constituted teams to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss.

Expected credit loss for trade receivables under simplified approach

In respect of trade receivables, the Company is exposed to minimal credit risk exposure considering the type of customer and past experience.

As at the Balance sheet date, the Company has recorded Expected credit loss on trade receivables of Rs.2.03 lakhs (March 31, 2021 - Rs.4.88 lakhs).

b. Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and also generating cash flow from operations.

Management monitors the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows and maintaining debt financing plans.

The break-up of cash and cash equivalents is as detailed in note 12.



(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

31 Fair Value Measurements (continued)

Maturities of financial liabilities

The tables below analyze the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

<u>March 31, 2022</u>	On demand	Less than 1 year	1 year to 5 years	5 years and above	Total
Financial liabilities - non current					
Borrowings*	-	-	1,266.98	-	1,266.98
Lease Liability	-	-	52.62	-	52.62
Financial liabilities - current					
Borrowings*	3,364.93	843.86	-	-	4,208.79
Trade payables	-	9,792.74	-	-	9,792.74
Lease Liability	-	236.59	-	-	236.59
Other financial liabilities	-	96.22	-	-	96.22
<u>March 31, 2021</u>	On demand	Less than 1 year	1 year to 5 years	5 years and above	Total
Financial liabilities - non current					
Borrowings*	-	-	1,775.56	-	1,775.56
Lease Liability	-	-	213.34	-	213.34
Financial liabilities - current					
Borrowings*	3,541.05	741.54	-	-	4,282.59
Trade payables	-	7,620.39	-	-	7,620.39
Lease Liability	-	179.86	-	-	179.86
Other financial liabilities	-	90.81	-	-	90.81

* including interest expected to be paid over the balance maturity period

c. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as equity price risk and commodity risk.

The sensitivity analysis in the following sections relate to the position as at March 31, 2022 and March 31, 2021. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations/provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 and March 31, 2021.

Interest rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in interest rate. The entity's exposure to the risk of changes in interest rates relates primarily to the entity's operating activities (when receivables or payables are subject to different interest rates) and the entity's net receivables or payables.

The Company is affected by the price volatility of certain commodities. The Company's management has developed and enacted a risk management strategy regarding commodity price risk and its mitigation. The Company is subject to the price risk variables, which are expected to vary in line with the prevailing market conditions.

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates. The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant. The impact on the entity's profit before tax is due to changes in the fair value of financial assets and liabilities.

	March 31, 2022	March 31, 2021
Interest rates – increase by 50 basis points (50 bps)	18.99	19.44
Interest rates – decrease by 50 basis points (50 bps)	(18.99)	(19.44)

Note: The above impact is gross of interest to be inventorised to qualifying assets.



(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

32 Capital Management

The Company's objectives when managing capital are to maximise returns for shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company monitors its capital using gearing ratio, which is net debt divided by total equity. Net debt comprises current borrowings, current maturities of non current borrowings less cash and cash equivalents and other bank balances. Total equity comprises equity share capital and other equity.

	March 31, 2022	March 31, 2021
Non current borrowings	1,110.13	1,477.95
Current borrowings	4,068.03	4,112.76
Less: Cash and cash equivalents	(16.44)	(46.99)
Net debt	5,161.72	5,543.72
Total equity	2,799.64	2,279.46
Gearing ratio	1.84	2.43

In order to achieve the objective of maximize shareholders value, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements. Any significant breach in meeting the financial covenants would allow the bank to call borrowings. There have been no breaches in the financial covenants of above-mentioned interest-bearing borrowing.

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.



(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

33 Financial Ratios

a	Ratio	Current ratio		
	Numerator	Current Assets		
	Denominator	Current Liabilities		
Ratios/Measures		March 31, 2022	March 31, 2021	
Current Assets (A)		18,692.94	15,722.89	
Current Liabilities (B)		17,035.90	13,794.22	
Current Ratio (C) = (A) / (B)		1.10	1.14	
% of change from previous year		-3.73%		

b	Ratio	Debt Equity ratio		
	Numerator	Total Debt		
	Denominator	Shareholder's Equity		
Ratios/Measures		March 31, 2022	March 31, 2021	
Total Debt (A)		5,178.16	5,590.72	
Shareholder's Equity (B)		2,799.64	2,279.46	
Debt Equity ratio (C) = (A) / (B)		1.85	2.45	
% of change from previous year		-24.59%		

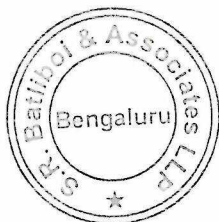
c	Ratio	Debt Service Coverage ratio		
	Numerator	Earnings available for debt service		
	Denominator	Debt service		
Ratios/Measures		March 31, 2022	March 31, 2021	
Profit (Loss) after tax (A)		491.57	(284.57)	
Add: Non cash operating expenses and finance cost				
Depreciation expense (B)		671.25	803.51	
Finance costs (C)		456.49	586.15	
Earnings available for debt services (D) = (A)+(B)+(C)		1,619.31	1,105.09	
Finance costs (E)		456.49	586.15	
Repayment of non-current borrowings (F)		593.33	224.87	
Repayment of current borrowings (G)		1,977.24	1,432.51	
Payment of principal portion of lease liabilities (H)		175.51	117.35	
Debt service (I) = (E) + (F) + (G)+(H)		3,202.57	2,360.88	
Debt service coverage ratio (I) = (D) / (H)		0.51	0.47	
% of change from previous year		8.02%		

d	Ratio	Return on equity ratio		
	Numerator	Profit after tax		
	Denominator	Average shareholders' equity		
Ratios/Measures		March 31, 2022	March 31, 2021	
Profit (Loss) after tax (A)		491.57	(284.57)	
Closing Shareholders Equity (B)		2,799.64	2,279.46	
Average shareholder's equity [(Opening + Closing)/2] C		2,539.55	2,429.95	
Return on equity ratio (D) = (A) / (C)		0.19	-0.12	
% of change from previous year		-265.29%		

The ratio has changed mainly due to profit in the current year compared to loss in the previous year.

e	Ratio	Inventory Turnover ratio		
	Numerator	Cost of goods sold		
	Denominator	Average Inventory		
Ratios/Measures		March 31, 2022	March 31, 2021	
Cost of goods sold (A)		18,578.51	7,388.74	
Closing Inventory (B)		7,417.19	6,968.02	
Average Inventory [(opening + closing) /2] (B)		7192.61	4866.43	
Inventory Turnover ratio (C) = (A) / (B)		2.58	1.52	
% of change from previous year		70.12%		

The ratio has changed mainly due to increase in operations and higher cost of construction thereon in the current year.



(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

f

Ratio	Trade receivables turnover ratio		
Numerator	Revenue from operations		
Denominator	Average trade receivables		
Ratios/Measures	March 31, 2022	March 31, 2021	
Revenue from operations (A)	23,695.32	6,742.27	
Closing trade receivables (B)	4,109.51	2,849.67	
Average Trade Receivables [(opening + closing) / 2] (B)	3,479.59	3,253.02	
Trade receivables turnover ratio (C) = (A) / (B)	6.81	2.07	
% of change from previous year	228.56%		

The ratio has changed mainly due to increased revenue from operations in the current year.

The ratio has changed mainly due to increased revenue from operations in the current year.

g

Ratio	Trade payable turnover ratio
Numerator	Total purchases (Sub-contractor cost, Cost of materials consumed and Other expenses)
Denominator	Average trade payables

Ratios/Measures	March 31, 2022	March 31, 2021
Total purchases (A) *	20,070.90	8,320.45
Closing trade payables (B)	9,792.74	7,620.39
Average Trade Payables [(opening + closing) /2] (B)	8,706.57	7,396.48
Trade payables turnover ratio (C) = (A) / (B)	2.31	1.12
% of change from previous year	104.93%	

The ratio has changed mainly due to increase in operations and higher cost of construction thereon in the current year.

h	Ratio	Net capital turnover ratio		
	Numerator	Revenue from operations		
	Denominator	Working capital (Current Assets - Current Liabilities)		
	Ratios/Measures	March 31, 2022	March 31, 2021	
	Revenue from operations (A)	23,695.32	6,742.27	
	Working Capital (B)	1,657.04	1,928.67	
	Net capital turnover ratio (C) = (A) / (B)	14.30	3.50	
	% of change from previous year	309.05%		

The ratio has changed mainly due to increased revenue from operations in the current year.

i

Ratio	Net profit ratio	
Numerator	Profit after tax	
Denominator	Revenue from operations	
Ratios/Measures		
	March 31, 2022	March 31, 2021
Profit (Loss) after tax (A)	491.57	(284.57)
Revenue from operations (B)	23,695.32	6,742.27
Net profit ratio (C) = (A) / (B)	0.02	(0.04)
% of change from previous year	-149.15%	

The ratio has changed mainly due to increased revenue from operations and profitability thereon in the current year.

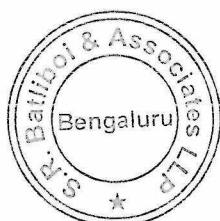
j

Ratio	Return on capital employed	
Numerator	Earning before interest and taxes	
Denominator	Capital Employed (Total equity, Total borrowings and Total lease liabilities)	
Ratios/Measures	March 31, 2022	March 31, 2021
Profit (Loss) after tax (A)	491.57	(284.57)
Adjustments:-		
Add: Total tax expenses (B)	164.15	(98.40)
Add: Finance cost (C)	456.49	586.15
Earnings before interest and tax (D) = (A) + (B) + (C)	1,112.21	203.18
Total Equity (E)	2,799.64	2,279.46
Total borrowings (F)	5,178.16	5,590.72
Capital Employed (G) = (E) + (F)	7,977.80	7,870.18
Return on capital employed (H) = (D) / (G)	0.14	0.03
% of change from previous year	440.02%	

The ratio has changed mainly due to profit in the current year compared to loss in the previous year.

Note:

Return on investment is not applicable to the Company.



Starworth Infrastructure & Construction Limited

CIN: U45201KA2008PLC047441

Notes to Financial Statements for the year ended March 31, 2022

(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

34 Leases

Company as a lessee:

The Company has entered into a non cancellation lease arrangements for buildings for 2 to 3 years. The Company also has certain leases of building with lease terms of 12 months. The Company has applied the 'short-term lease' recognition exemptions for these leases. and The Company does not have "lease of low value assets".

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

Balance as at 01 April 2020	429.40
Additions	6.98
Depreciation expense	(161.88)
As at 31 March 2021	274.50
Additions	120.91
Depreciation expense	(178.75)
As at 31 March 2022	216.66

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Balance as at 01 April 2020	490.72
Additions	6.98
Accretion of interest	44.62
Rent Concessions for leases	(54.92)
Payment of interest portion of lease liabilities	(30.50)
Payment of principal portion of lease liabilities	(117.35)
As at 31 March 2021	339.55
Additions	120.91
Accretion of interest	37.95
Rent Concessions for leases	(18.78)
Payment of interest portion of lease liabilities	(34.28)
Payment of principal portion of lease liabilities	(175.51)
As at 31 March 2022	269.84
Current	218.28
Non-current	51.56

Note: Also refer note 12

The following are the amounts recognised in profit or loss:

Depreciation expense of right-of-use assets	178.75
Interest expense on lease liabilities	37.95
Rent Concessions for leases *	(18.78)
Expense relating to short-term leases (included in Other expenses - Rent)	93.79
Total amount recognised in profit or loss	291.71

*The Company has elected and applied the practical expedient as per paragraph 46A of Ind AS 116 and assessed that rent concession consequent to Covid-19 is not lease modification as per Ind AS 116 and the amount of rent concession is recognised in profit and loss account.



Starworth Infrastructure & Construction Limited

CIN: U45201KA2008PLC047441

Notes to Financial Statements for the year ended March 31, 2022

(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

35 Commitments and contingencies

a. Commitments

(i) As at March 31, 2022, the estimated amount of contract (net of capital advance) remaining to be executed on capital account not provided for was Rs. Nil (March 31, 2021 - Rs.22.84 lakhs).

b. Contingent liabilities

March 31, 2022 March 31, 2021

(i) Contingent liabilities towards pending litigations related to disputed tax dues Nil Nil

(ii) The Company had initiated legal proceedings against its customer for recovery of receivables of Rs.1,540 lakhs (Trade receivables of Rs. 964 lakhs and unbilled revenue of Rs. 576 lakhs), inventories of Rs.83 lakhs and customer's counter claim thereon, which is currently pending before the High Court. Pending resolution of the aforesaid litigation, no provision has been made towards the resulting impact of customer's counter-claims in the accompanying financial statements based on the legal opinion obtained by the management and the management's evaluation of the ultimate outcome of the litigation.

(iii) The Company had initiated legal proceedings against its vendor for recovery of advance of Rs.200 lakhs. Pending resolution of the litigation and based on legal opinion obtained by the management, no provision has been made towards such advance and the underlying amount is classified as good and recoverable in the financial statements.

Note: The Company does not expect any reimbursement in respect of the above contingent liabilities and it is not practicable to estimate the timing of the cash outflows, if any, in respect of aforesaid matters and it is not probable that an outflow of resources will be required to settle the above obligations/claims.

36 Segmental information

The Company's business activities fall within a single reportable segment, i.e. construction of real estate construction services. Hence, there are no additional disclosures to be provided under Ind-AS 108 - Segment information with respect to the single reportable segment, other than those already provided in the financial statements.

The Company is domiciled in India. The Company's revenue from operations from external customers relate to real estate construction services in India and all the non-current assets of the Company are located in India.

37 Related party transactions

Names of related parties and nature of relationship with the Company

(i) Parties where control exists

Puravankara Limited (the holding company)

(ii) Fellow subsidiaries

Provident Housing Limited

Purva Star Properties Private Limited

Purva Woodworks Private Limited

(iii) Directors

Mr. Ashish R Puravankara

Mr. Nani R Choksey

Mr. Rajkumar Pillai (until September 9, 2021)

Mr Porus Behram Irani

Mr Sankey Prasad (until September 9, 2021)

Mr.K Satyanarayana (w.e.f December 12, 2021)

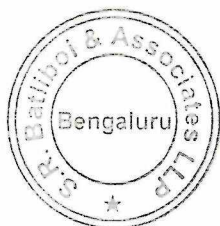
(iv) Relatives of Directors

Ms. Amanda Puravankara

(v) Entities in which the directors are interested ('Other related parties')

Handiman Services Limited

Synergy Property Development Services Private Limited



Starworth Infrastructure & Construction Limited

CIN: U45201KA2008PLC047441

Notes to Financial Statements for the year ended March 31, 2022

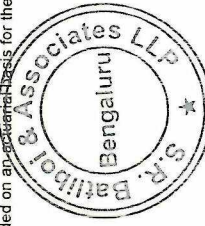
(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

37 Related party transactions (contd.)

II The transactions with related parties for the year are as follows

Nature of transaction	Holding Company		Fellow subsidiaries		Directors		Relatives of Directors		Other related parties	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Loans taken from										
Puravankara Limited	1,787.08	800.00	-	-	-	-	-	-	-	-
Loans repaid to										
Puravankara Limited	1,977.24	1,431.08	-	-	-	-	-	-	-	-
Provident Housing Limited	-	-	-	1.43	-	-	-	-	-	-
Advances received for construction contracts										
Provident Housing Limited	-	-	230.25	357.96	-	-	-	-	-	-
Revenue from construction services										
Puravankara Limited	10,713.98	908.31	-	-	-	-	-	-	-	-
Provident Housing Limited	-	-	2,489.42	473.44	-	-	-	-	-	-
Security expenses										
Handman Services Limited	-	-	-	-	-	-	-	-	127.40	165.30
Repairs and maintenance - others										
Handman Services Limited	-	-	-	-	-	-	-	-	2.72	13.04
Guarantees availed during the year										
Puravankara Limited	73.93	267.84	-	-	-	-	-	-	-	-
Guarantees closed during the year										
Puravankara Limited	537.24	-	-	-	-	-	-	-	-	-
Rent										
Puravankara Limited	24.12	27.70	-	-	-	-	-	-	-	-
Reimbursement of Expenses incurred by related parties										
Puravankara Limited	80.46	78.90	-	-	-	-	-	-	-	-
Reimbursement of Expenses incurred on behalf of related parties										
Puravankara Limited	10.91	15.46	-	-	-	-	-	-	-	-
Provident Housing Limited	-	-	8.25	6.62	-	-	-	-	-	-
Purva Star Properties Private Limited	-	-	14.81	-	-	-	-	-	-	-
Purva Woodworks Private Limited	-	-	-	3.12	-	-	-	-	-	-
Remuneration - short term employee benefits (Employee benefits expense) *										
Ananda Puravankara	-	-	-	-	-	-	33.88	40.68	-	-
Rajkumar Pillai	-	-	-	-	129.33	137.93	-	-	-	-
K Satyanarayana	-	-	-	-	59.20	-	-	-	-	-
Professional fees										
Mr. Sankey Prasad	-	-	-	-	1.78	4.00	-	-	-	-
Synergy Property Development Services Private Limited	-	-	-	-	-	-	-	-	-	-
Director's sitting fees										
Mr. Sankey Prasad	-	-	-	-	-	-	-	-	-	20.00
Mr. Porus Behram Irani	-	-	-	-	0.30	1.20	-	-	-	-
	-	-	-	-	1.80	1.20	-	-	-	-

* As the future liability for gratuity and leave benefits is provided on an accrual basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above.



Starworth Infrastructure & Construction Limited

CIN: U45201KA2008PLC047441

Notes to Financial Statements for the year ended March 31, 2022

(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

37 Related party transactions (contd.)

III Balances with related parties as on date are as follows

Nature of transaction	Holding Company		Fellow subsidiaries		Directors		Relatives of Directors		Other related parties	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Loans taken from										
Puravankara Limited	1,490.76	1,680.92	-	-	-	-	-	-	-	-
Dues from										
Puravankara Limited	992.05	853.55	-	-	-	-	-	-	-	-
Provident Housing Limited	-	-	476.32	170.50	-	-	-	-	-	-
Purva Star Properties Private Limited	-	-	228.31	169.77	-	-	-	-	-	-
Purva Woodworks Private Limited	-	-	-	0.72	-	-	-	-	-	-
Dues to										
Puravankara Limited	156.89	138.78	-	-	-	-	-	-	-	-
Provident Housing Limited	-	-	16.72	-	-	-	-	-	95.26	128.36
Handiman Services Limited	-	-	-	-	-	-	-	-	-	-
Purva Star Properties Private Limited	-	-	0.07	0.07	-	-	-	-	-	11.05
Synergy Property Development Services Private Limited	-	-	-	-	-	-	-	-	-	-
Advances received from customers										
Puravankara Limited	1,990.12	1,780.64	-	-	-	-	-	-	-	-
Provident Housing Limited	-	-	786.37	412.12	-	-	-	-	-	-
Guarantees received and outstanding										
Puravankara Limited	2,880.57	3,343.88	-	-	-	-	-	-	-	-
Unbilled revenue										
Puravankara Limited	2,239.54	1,979.55	-	-	-	-	-	-	-	-
Provident Housing Limited	-	-	649.28	204.28	-	-	-	-	-	-
Purva Star Properties Private Limited	-	-	-	224.41	-	-	-	-	-	-

IV. Other information:

1. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables, other than those disclosed above. The Company has not recorded any provision/ write-off of receivables relating to amounts owed by related parties.

2. In respect of the transactions with the related parties, the Company has complied with the provisions of Section 188 of the Companies Act, 2013 where applicable, and the details have been disclosed above, as required by the applicable accounting standards. The provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company



Starworth Infrastructure & Construction Limited

CIN: U45201KA2008PLC047441

Notes to Financial Statements for the year ended March 31, 2022

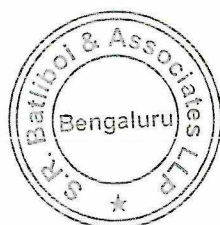
(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

38 Defined benefit plan - Gratuity

The Company has gratuity as defined benefit retirement plans for its employees. The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity at the rate of 15 days basic salary for each year of service until the retirement age. The plan is unfunded.

The following tables set out the status of gratuity plans and the amount recognized in Company's financial statements :

38.1	The amounts recognized in the Balance Sheet are as follows:	March 31, 2022	March 31, 2021			
	Present Value of the obligation as at the end of the year	251.59	352.86			
	Non - Current	220.23	333.34			
	Current	31.36	19.52			
38.2	Changes in the present value of defined benefit obligation					
	Defined benefit obligation as at beginning of the year	352.86	342.28			
	Service cost	43.03	60.12			
	Interest cost	22.98	23.26			
	Actuarial losses/(gains) arising from	-	-			
	- change in financial assumptions	(9.49)	(14.64)			
	- change in Actual experiences vs assumptions	(29.52)	37.14			
	- change in Demographic assumptions	-	(0.34)			
	Benefits paid	(114.00)	(94.97)			
	Others	(14.27)	-			
	Defined benefit obligation as at the end of the year	251.59	352.86			
38.3	Assumptions used in the above valuations are as under:					
	Discount rate	7.10%	6.65%			
	Future salary increase	6.00%	6.00%			
	Attrition rate	6.00%	6.00%			
38.4	Components of Net gratuity cost	March 31, 2022	March 31, 2021			
	Service cost	43.03	60.12			
	Interest cost	22.98	23.26			
	Defined benefit costs recognized in Statement of Profit and Loss	66.01	83.38			
38.5	Other Comprehensive Income	March 31, 2022	March 31, 2021			
	- change in financial assumptions	9.49	14.64			
	- change in Actual experiences vs assumptions	29.52	(37.15)			
	- change in Demographic assumptions	-	0.34			
	Total re-measurement gains/ (losses) on defined benefit plans included in Other Comprehensive Income	39.01	(22.17)			
38.6	Experience adjustments	March 31, 2022	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018
	Defined benefit obligation as at the end of the year	251.59	352.86	342.28	324.80	261.42
	Experience adjustments on plan liabilities	(29.52)	37.14	(25.32)	(1.44)	(17.01)



38.7 Sensitivity Analysis

A Quantitative sensitivity analysis for significant assumption for Gratuity plan is as shown below:

	March 31, 2022		March 31, 2021	
Assumptions	Discount Rate		Discount Rate	
Sensitivity Level	(1.0%)	1.0%	(1.0%)	1.0%
Impact on defined benefit obligation (Rs. Lakhs)	22.01	(19.12)	30.87	(26.87)
% change compared to base due to sensitivity	8.75%	-7.60%	8.75%	(7.61)%
Assumptions	Further Salary Increase		Further Salary Increase	
Sensitivity Level	(1.0%)	1.0%	(1.0%)	1.0%
Impact on defined benefit obligation (Rs. Lakhs)	(19.48)	22.03	(27.26)	30.76
% change compared to base due to sensitivity	(7.74)%	8.76%	(7.73)%	8.72%
Assumptions	Attrition Rate		Attrition Rate	
Sensitivity Level	(1.0%)	1.0%	(1.0%)	1.0%
Impact on defined benefit obligation (Rs. Lakhs)	(3.09)	1.49	(0.15)	-1.07
% change compared to base due to sensitivity	(1.23)%	0.59%	(0.04)%	-0.30%

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

There is no change in the method of valuation in the current year.

38.8 Effect of Plan on Entity's Future Cash Flows

The following payments are expected contributions to the defined benefit plan - gratuity in future years:

	March 31, 2022	March 31, 2021
Within the next 12 months	31.36	19.52
Between 2 and 5 years	89.40	160.19
More than 5 years	398.14	508.68
Total expected payments (on undiscounted basis)	518.90	688.40



39 Revenue from contracts with customers:

39.1 Disaggregation of revenue

Set out below is the disaggregation of the Company's revenue from contracts with customers, which is in agreement with the contracted price.

	March 31, 2022	March 31, 2021
Revenue from construction services		
Revenue recognised over time	23,645.27	6,726.96
Scrap sales		
Revenue recognised at a point in time	50.05	15.31
	<u>23,695.32</u>	<u>6,742.27</u>

39.2 Contract Balances

	March 31, 2022	March 31, 2021
Trade receivables	4,109.51	2,849.67
Contract assets - unbilled revenue	5,509.42	4,527.12
Contract liabilities - advance received from customers	4,202.76	3,683.34

Trade receivables are generally on credit terms of upto 60 days.

Contract assets are initially recognised for revenue earned from construction services as receipt of consideration is based on agreed milestone billing terms as unbilled revenue. The amounts recognised as contract assets are reclassified to trade receivables upon billing.

Contract liabilities include advances received from customers. There is no significant change in advance received from customers.

	March 31, 2022	March 31, 2021
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	<u>1,916.58</u>	<u>678.81</u>

39.3 Performance obligations

	March 31, 2022	March 31, 2021
Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the reporting period *	<u>51,613.89</u>	<u>75,820.78</u>

*The entity expects to satisfy the performance obligations when (or as) the underlying real estate projects to which such performance obligations relate are completed. Such real estate projects are in various stages of development and are expected to be completed in the coming periods of upto 3 years.

39.4 Assets recognised from the costs to obtain or fulfil a contract with a customer

	March 31, 2022	March 31, 2021
Inventories		
Raw materials, components & stores	1,911.20	930.66
Construction Work-in-progress	5,505.99	6,037.36
	<u>7,417.19</u>	<u>6,968.02</u>

40 Unhedged Foreign Currency Exposure

	March 31, 2022	March 31, 2021
Trade payables	<u>1.23</u>	<u>3.63</u>
	<u>1.23</u>	<u>3.63</u>



- (i) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) The Company has balance with the below-mentioned companies struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956

Name of the struck off Company	Nature of transactions with struck	Balance as at March 31, 2022	Balance as at March 31, 2021	Relationship with the Struck off company
Vishal Kiran Infrastructures And Projects India Private Limited	Trade payable	0.02	0.02	Vendor

- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in Cryptocurrency transactions or Virtual Currency during the financial year.
- (v) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("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.
- (vi) No funds have been received by the Company from any persons or entities, including foreign entities ("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.
- (vii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (viii) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any lender.

42 Standards issued but not yet effective

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated March 23, 2022 to amend the following Ind AS which are effective from April 01, 2022:

- (i) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37
(ii) Reference to the Conceptual Framework – Amendments to Ind AS 103
(iii) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16
(iv) Ind AS 101 First-time Adoption of Indian Accounting Standards – Subsidiary as a first-time adopter
(v) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities
(vi) Ind AS 41 Agriculture – Taxation in fair value measurements

The impact of same is under evaluation by management of the Company.

As per report of even date

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049WE300004

per Sudhir Kumar Jain
Partner
Membership no.: 213157

Bengaluru
May 24, 2022



For and on behalf of the Board of Directors of
Starworth Infrastructure & Construction Limited

Nani R Choksey
Director
DIN 00504555

Bengaluru
May 24, 2022

K Satyanarayana
Managing Director
DIN 07160142

