

INDEPENDENT AUDITOR'S REPORT

To the Members of Starworth Infrastructure & Construction Limited

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

We have audited the accompanying Ind AS financial statements of Starworth Infrastructure & Construction Limited ("the Company"), which comprise the Balance sheet as at March 31, 2020, 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 Ind AS 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 Ind AS 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, 2020, 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Emphasis of Matter

- (i) We draw attention to Note 34(b)(iii) to the accompanying Ind AS financial statements in connection with an ongoing litigation. Pending resolution of the litigation, 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 Ind AS financial statements. Our opinion is not modified in respect of this matter.
- (ii) We draw attention to Note 2.4 to the accompanying Ind AS financial statements for the year ended March 31, 2020, which describes the management's evaluation of Covid-19 impact on the future business operations and future 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 Directors' Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS 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 Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the Ind AS 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.



Responsibilities of Management for the Ind AS 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 Ind AS 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements, including the disclosures, and whether the Ind AS 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.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("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 Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) The matter 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 over financial reporting of the Company with reference to these Ind AS 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, 2020 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 Ind AS financial statements – Refer Note 34(b) to the Ind AS 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.

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

per Sudhir Kumar Jain
Partner
Membership Number: 213157

UDIN: 20213157AAAAAG6177



Place: Bengaluru
Date: June 23, 2020

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF STARWORTH INFRASTRUCTURE & CONSTRUCTION LIMITED

Report on the matters specified in paragraphs 3 and 4 of the Companies (Auditor's Report) Order, 2016 ("the Order")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (b) All property, plant and equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, the title deeds of immovable properties (including right of use assets) included in property, plant and equipment are held in the name of the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, LLP's or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities given in respect of which provisions of section 185 and 186 of the Companies Act, 2013, are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (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) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of custom, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues of income-tax, goods and service tax, duty of custom and cess which have not been deposited on account of any dispute, are as follows:

Name of the Statute	Nature of dues	Amount demanded (Rs. in lakhs)	Amount paid under protest (Rs. In lakhs)	Period to which amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	4.98	4.98	2010-2011	Income Tax Appellate Tribunal



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing to a bank or financial institution. The Company did not have any loans or borrowing from government or dues to debenture holders.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans (representing loan with a repayment period beyond 36 month) for the purposes for which they were raised. The Company has not raised any monies by way of initial public offer/ further public offer.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Section 188 of the Companies Act, 2013 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 Companies Act, 2013 are not applicable to the Company and accordingly reporting under Clause 3(xiii) insofar as it relates to Section 177 of the Companies Act, 2013 is not applicable to the Company and hence not commented upon.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934, are not applicable to 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: 20213157AAAAAG6177

Place: Bengaluru
Date: June 23, 2020



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE IND AS FINANCIAL STATEMENTS OF STARWORTH INFRASTRUCTURE & CONSTRUCTION LIMITED

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 over financial reporting of Starworth Infrastructure & Construction Limited ("the Company") as of March 31, 2020, 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. 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 over financial reporting 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 Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting 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 internal financial controls system over financial reporting with reference to these financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

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



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

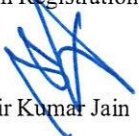
Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these 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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these 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 system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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


per Sudhir Kumar Jain
Partner
Membership Number: 213157

UDIN: 20213157AAAAAG6177

Place: Bengaluru
Date: June 23, 2020



Starworth Infrastructure & Construction Limited
Balance Sheet as at March 31, 2020

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

	Note	March 31, 2020	March 31, 2019
ASSETS			
Non - Current Assets			
(a) Property, Plant and equipment	3	4,349.49	3,083.46
(b) Capital work-in-progress	3A	-	123.86
(c) Intangible assets	4	14.80	12.85
(d) Financial assets			
(i) Loans	5a	32.66	55.73
(ii) Other financial assets	6a	0.92	14.33
(e) Deferred tax assets (net)	10	222.45	230.58
(f) Assets for current tax (net)	7a	557.46	1,814.69
(g) Other non-current assets	8a	-	355.31
Total non - Current assets		5,177.78	5,690.81
Current assets			
(a) Inventories	11	2,764.84	899.54
(b) Financial assets			
(i) Trade receivables	12	3,656.37	6,158.51
(ii) Cash and cash equivalents	13	51.22	44.06
(iii) Bank balances other than (ii) above	14	-	-
(iv) Loans	5b	23.42	-
(v) Other financial assets	6b	6,629.76	4,617.03
(c) Assets for current tax (net)	7b	1,165.45	-
(d) Other current assets	8b	1,075.05	534.24
Total Current assets		15,366.11	12,253.38
Total assets		20,543.89	17,944.19
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	15	5.00	5.00
(b) Other equity	16	2,575.44	2,576.15
Total equity		2,580.44	2,581.15
LIABILITIES			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17a	1,165.53	978.27
(ii) Other Financial Liabilities	18a	333.33	-
(b) Provisions	19a	225.38	305.72
(c) Other non-current liabilities	21a	1,852.60	-
Total non-current liabilities		3,576.84	1,283.99
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17b	4,772.71	6,686.02
(ii) Trade payables	20		
(A) Total outstanding dues of micro enterprises and small enterprises		58.03	102.11
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		7,114.53	6,024.66
(iii) Other financial liabilities	18b	568.80	442.79
(b) Other current liabilities	21b	1,741.93	761.35
(c) Provisions	19b	130.61	62.12
Total current liabilities		14,386.61	14,079.05
Total equity and liabilities		20,543.89	17,944.19
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
June 23, 2020



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

Nani R Choksey
Director
DIN 00504555

Benga
June 23, 2020

Rajkumar Pillai
Managing director
DIN 07949441



Starworth Infrastructure & Construction Limited
Statement of Profit and Loss for the year ended March 31, 2020
(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

	Note	March 31, 2020	March 31, 2019
Income			
Revenue from operations	22	13,585.12	18,932.74
Other income	23	343.23	12.05
Total		13,928.35	18,944.79
Expenses			
Sub-contractor cost		5,454.52	6,623.59
Cost of raw materials, components and stores consumed	24	5,154.86	7,559.47
(Increase)/ decrease in inventories of construction work-in-progress	25	(1,734.36)	-
Employee benefits expense	26	2,462.66	2,157.86
Finance costs	27	547.29	404.59
Depreciation and amortization expenses	28	823.61	474.75
Other expenses	29	1,175.94	1,292.97
Total expenses		13,884.52	18,513.23
Profit before tax		43.83	431.56
Tax expense			
Current Tax	9	9.03	188.45
Deferred Tax		16.29	(61.24)
Total tax expense		25.32	127.21
Profit for the year		18.51	304.35
Other comprehensive income ('OCI')			
Items that will not be reclassified to profit or loss			
(i) Re-measurement gains/(losses) on defined benefit plans		6.19	6.92
(ii) Income tax relating to above		(1.18)	(1.93)
Total other comprehensive income		5.01	4.99
Total comprehensive income for the year (comprising profit and OCI)		23.52	309.34
Earnings per equity share ('EPS')			
[Nominal value per equity share Rs. 10 (March 31, 2019 - Rs.10)]			
Basic (Rs.)		37.02	608.70
Diluted (Rs.)		37.02	608.70
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: 101049WE300004

per Sudhir Kumar Jain
Partner
Membership no.: 213157

Bengaluru
June 23, 2020



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

Nani R Choksey
Director
DIN 00504555

Bengaluru
June 23, 2020

Rajkumar Pillai
Managing director
DIN 07949441



Starworth Infrastructure & Construction Limited
Statement of cash flow for the year ended March 31, 2020
(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

	Note	March 31, 2020	March 31, 2019
A. Cash flow from operating activities			
Profit before tax		43.83	431.56
Adjustments to reconcile profit after tax to net cash flows:			
Depreciation and amortization expense		823.61	474.75
Loss on sale of property, plant and equipment		1.52	30.24
Finance costs		547.29	404.59
Financial guarantee expense		-	28.31
Expected credit loss on trade receivables		52.75	-
Interest income		(146.64)	(12.02)
Liabilities no longer required written-back		(196.59)	-
Operating profit before working capital changes		1,125.77	1,357.43
Working capital adjustments:			
(Increase)/decrease in trade receivables		2,449.39	(622.68)
(Increase)/ decrease in inventories		(1,865.30)	818.82
(Increase)/ decrease in loans		(0.35)	(9.07)
(Increase)/ decrease in other financial assets		(2,012.73)	(2,732.34)
(Increase)/ decrease in other assets		(545.33)	(380.04)
Increase/ (decrease) in trade payables		1,242.38	1,183.49
Increase/ (decrease) in other financial liabilities		27.52	23.80
Increase/ (decrease) in other liabilities		2,833.18	(32.23)
Increase/ (decrease) in provisions		(5.66)	79.84
Cash (used in)/ received from operations		3,248.87	(312.98)
Income tax refunded/(paid) (net)		229.33	(365.29)
Net cash flows (used in)/from operating activities		3,478.20	(678.27)
B. Cash flows from investing activities			
Purchase of property, plant and equipment, intangible assets (including capital work in progress and capital advances)		(998.20)	(1,648.65)
Proceeds from sale of property, plant and equipment		0.08	181.77
Proceeds from maturities of Investments in bank deposits		13.41	413.99
Interest received		0.07	12.02
Net cash flows from / (used in) investing activities		(984.64)	(1,040.87)
C. Cash flows from financing activities			
Proceeds from Term loans		540.51	1,431.04
Repayment of Term loans		(434.99)	(125.69)
Loans taken from related Parties		133.60	4,185.35
Loans repaid to related parties		(1,806.46)	(4,192.16)
Payment of lease liabilities		(220.65)	-
Interest and other charges paid		(457.96)	(396.14)
Net Cash (Used in)/ from financing activities		(2,245.95)	902.40
Net (decrease)/increase in cash and cash equivalents (A + B + C)		247.61	(816.74)
Cash and cash equivalents at the beginning of the year		(2,655.67)	(1,838.93)
Cash and cash equivalents at the end of the year		(2,408.06)	(2,655.67)
Components of Cash and Cash equivalents:			
Cash and cash equivalents	13	51.22	44.06
Less: Cash credit facilities from banks	17	(2,459.28)	(2,699.73)
Cash and cash equivalents reported in cash flow statement above		(2,408.06)	(2,655.67)

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. Battliboi & Associates LLP
Chartered Accountants
ICAI Firm registration number: 101049WE300004

per Sudhir Kumar Jain
Partner
Membership no.: 213157

Bengaluru
June 23, 2020



For and on behalf of the Board of Directors of
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June 23, 2020

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DIN 07949441



Starworth Infrastructure & Construction Limited
Statement of changes in equity for the year ended March 31, 2020
(All amounts in Indian Rs. Lakh, Unless Otherwise Stated)

A. Equity share capital
(refer note 15)

	As at 31 March 2018	Movement during 2018-19	As at March 31, 2019	Movement during 2019-20	As at March 31, 2020
Equity share capital of face value of Rs.10 each fully paid 0.50 lakh (March 31, 2019 - 0.50 lakh) equity shares	5.00	-	5.00	-	5.00
	<u>5.00</u>	<u>-</u>	<u>5.00</u>	<u>-</u>	<u>5.00</u>

B. Other equity
(refer note 16)

	Other contributions by shareholders	Reserves and surplus - Retained Earnings	Total
Balance as at 01 April 2018	16.69	2,204.45	2,221.14
Other contributions by shareholders	45.67	-	45.67
Profit for the year	-	304.35	304.35
Other comprehensive income*	-	4.99	4.99
Total comprehensive income for the year	-	309.34	309.34
Balance as at 31 March 2019	<u>62.36</u>	<u>2,513.79</u>	<u>2,576.15</u>
Balance as at 01 April 2019	62.36	2,513.79	2,576.15
Ind AS 116 transition impact (refer note 33)	-	(24.23)	(24.23)
Profit for the year	-	18.51	18.51
Other comprehensive income*	-	5.01	5.01
Total comprehensive income for the year	-	23.52	23.52
Balance as at 31 March 2020	<u>62.36</u>	<u>2,513.08</u>	<u>2,575.44</u>

* As required under Ind AS compliant Schedule III, the Company has recognised remeasurement gains/ (losses) on defined benefit plans (net of tax) of Rs.5.01 lakhs [March 31, 2019: Rs.4.99 lakhs] as part of retained earnings.

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.: 2131152

Bengaluru
June 23, 2020



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

Nani R. Choksey *Rajkumar Pillai*

Nani R Choksey
Director
DIN 00504555

Rajkumar Pillai
Managing director
DIN 07949441

Bengaluru
June 23, 2020



Starworth Infrastructure & Construction Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2020
(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 construction and development services.

The Ind AS financial statements were authorized for issue in accordance with a resolution of the Board of Directors on June 23, 2020.

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.

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) Changes in accounting policies and disclosures

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year, except for items disclosed below.

Ind AS 116 supersedes Ind AS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the lessor.

The Company applied Ind AS 116 with effect from April 1, 2019 to all lease contracts existing on April 1, 2019, where the Company is a lessee, using the modified retrospective method. The Company elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). The impact of adoption of Ind AS 116 is detailed in note 33.

(c) 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.



Starworth Infrastructure & Construction Limited
Notes to Ind AS Financial Statements for the year ended March 31, 2020
(All amounts in Indian Rs. Lakh, unless otherwise stated)

(d) 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.

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.

(e) 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 equipments	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.

(f) 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.

(g) Impairment

A. Financial assets

