

Sternal Buildcon Private Limited

Registered Office:

13TH Floor, Dr. Gopal Das Bhawan, 28 Barakhamba Road,
Connaught Place, New Delhi Central, Delhi 110001

Annual Financial Statements

2021-22

Walker Chandio & Co LLP

Walker Chandio & Co LLP

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Independent Auditor's Report

To the Members of Sternal Buildcon Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Sternal Buildcon Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 ('ICAI') 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 opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors are responsible for the other information. Other information 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 the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

The Director's Report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Chartered Accountants

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

Walker Chandio & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



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Independent Auditor's Report to the members of Sternal Buildcon Private Limited, on the financial statements for the year ended 31 March 2022 (Cont'd)

Responsibilities of Management for the Financial Statements

5. The accompanying financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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.
6. In preparing the financial statements, the Board of Directors are 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 the Board of Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

7. 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 Standards on Auditing 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.
8. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act 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 system 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 Board of Directors' 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; and

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Independent Auditor's Report to the members of Sternal Buildcon Private Limited, on the financial statements for the year ended 31 March 2022 (Cont'd)

- 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.
9. 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.

Other Matter

10. The comparative financial information for the year ended 31 March 2021 and the transition date opening balance sheet as at 1 April 2020 prepared in accordance with Ind AS included in these financial statements, are based on the previously issued statutory financial statements for the year ended 31 March 2021 and 31 March 2020 respectively prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor (Serva Associates) whose reports dated 21 July 2021 and 25 September 2020 respectively expressed unmodified opinion on those financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. Based on our audit, we report that the Company has not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable.
12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
13. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying financial statements;
 - 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 financial statements dealt with by this report are in agreement with the books of account;
 - d) In our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;
 - e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B, wherein we have expressed an unmodified opinion; and
 - g) 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:

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Independent Auditor's Report to the members of Sternal Buildcon Private Limited, on the financial statements for the year ended 31 March 2022 (Cont'd)

- i. the Company, as detailed in note 42(b) to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;
- iv.
 - (a) The management has represented that, to the best of its knowledge and belief, as disclosed in note 44A to the financial statement, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person or entity, including foreign entities ('the 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 ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;
 - (b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 44B to the financial statement, no funds have been received by the Company from any person or entity, including foreign entities ('the 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 performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.
- v. The Company has not declared or paid any dividend during the year ended 31 March 2022.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Neeraj Sharma
Partner
Membership No.: 502103

UDIN: 22502103AJWJJH9075

Place: Gurugram
Date: 30 May 2022



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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Sternal Buildcon Private Limited on the financial statements for the year ended 31 March 2022

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 report 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 intangible assets.
- (b) The property, plant and equipment have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not own any immovable property (including investment properties). Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.
- (d) The Company has not revalued its property, plant and equipment during the year. Further, the Company does not hold any intangible assets.
- (e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed.
- (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) (a) The Company has provided loans, guarantee and securities to others during the year as per details given below:

(Amount in Rs. lakhs)

Particulars	Guarantees*	Securities*	Loans
Aggregate amount provided/granted during the year:			
- Others**	6,200.00	16,907.00	850.00
Balance outstanding as at balance sheet date in respect of above cases:			
- Others**	5,813.34	14,987.98	-

* Aggregate amount provided/granted during the year and the respective balance outstanding as at the balance sheet date, represents the amounts of funds disbursed by the lender to others in respect of borrowings for which guarantees/securities have been provided by the Company during the year.

**Others includes the Holding Company, Signatureglobal (India) Limited and fellow subsidiary companies, Signatureglobal Homes Private Limited, Signatureglobal Developers Private Limited and Indeed Fincap Private Limited.

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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Sternal Buildcon Private Limited on the financial statements for the year ended 31 March 2022 (cont'd)

- (b) In our opinion, and according to the information and explanations given to us, guarantees provided, security given and terms and conditions of the grant of all loans are, prima facie, not prejudicial to the interest of the Company.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and the payment of the interest has not been stipulated and accordingly, we are unable to comment as to whether the repayments/receipts of principal interest are regular.
- (d) There is no overdue amount in respect of loans granted to such companies, firms, LLPs or other parties.
- (e) The Company has granted loans which had fallen due during the year and were repaid on or before the due date. Further, no fresh loan were granted to any party to settle the overdue loans.
- (f) The Company has granted loan which are repayable on demand or without specifying any terms or period of repayment, as per details below:

(Amount in Rs. lakhs)			
Particulars	All parties	Promoters	Related parties
Aggregate of loans/advances in nature of loan			
- Repayable on demand (A)	850.00	-	850.00
- Agreement does not specify any terms or period of repayment (B)	-	-	-
Total (A+B)	850.00	-	850.00
Percentage of loans/advances in nature of loan to the total loans	100%	-	100%

- (iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of sections 185 of the Act in respect of loans, guarantees and securities, as applicable. As the Company is engaged in providing infrastructural facilities as specified in Schedule VI of the Act, provisions of section 186 except sub-section (1) of the Act are not applicable to the Company. The Company has not entered into any transaction under the provisions of sub-section (1) of section 186 in respect of investments.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of section 148 of the Act, in respect of Company's products/business activity. Accordingly, reporting under clause 3(vi) of the Order is not applicable.
- (vii)(a) In our opinion, and according to the information and explanations given to us, undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, , duty of custom, duty of excise, value added tax, cess and other material statutory dues, as applicable, have not been regularly deposited with the appropriate authorities and there have been significant delays in a large number of cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no statutory dues referred in sub-clause (a) which have not been deposited with the appropriate authorities on account of any dispute except for the following:

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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Sternal Buildcon Private Limited on the financial statements for the year ended 31 March 2022 (cont'd)

Name of the statute	Nature of dues	Gross amount (Rs. in lakhs)	Amount paid under protest (Rs. in lakhs)	Period to which amount relates	Forum where dispute is pending
Income tax act, 1961	Income-tax	16.07	Nil	Assessment year 2017-18	Commissioner of income-tax (Appeals)

- (viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts.
- (ix) (a) According to the information and explanations given to us, loans amounting to Rs. 6,345.69 lakhs are repayable on demand and terms and conditions for payment of interest thereon have not been stipulated. Further, such loans and interest thereon have not been demanded for repayment as on date. Further, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any other lender.
- (b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained, though idle funds which were not required for immediate utilisation have been invested in readily realisable liquid investments.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.
- (b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Sternal Buildcon Private Limited on the financial statements for the year ended 31 March 2022 (cont'd)

- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company, with the related parties are in compliance with section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements etc., as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act. Further, according to the information and explanations given to us, the Company is not required to constitute an audit committee under section 177 of the Act.
- (xiv) According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act and consequently, does not have an internal audit system. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanation given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clauses 3(xvi)(a),(b), (c) and (d) of the Order are not applicable to the Company.
- (xvii) The Company has incurred cash losses in the current financial year and in the immediately preceding financial years amounting to Rs. 4,074.53 lakhs and Rs. 1,563.68 lakhs respectively.
- (xviii) There has been resignation of the statutory auditors during the year and based on the information and explanations given to us by the management and the response to our communication with the outgoing auditors, there have been no issues, objections or concerns raised by the outgoing auditors.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management 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) According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and according, reporting under clause 3(xx) of the Order is not applicable to the Company.




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Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Sternal Buildcon Private Limited on the financial statements for the year ended 31 March 2022 (cont'd)

(xxi) The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Neeraj Sharma
Partner
Membership No.: 502103



UDIN: 22502103AJWJJH9075

Place: Gurugram
Date: 30 May 2022

Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Sternal Buildcon Private Limited on the financial statements for the year ended 31 March 2022

Independent Auditor's Report on the internal financial controls with reference to the financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

1. In conjunction with our audit of the financial statements of Sternal Buildcon Private Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal controls over the 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 ('the Guidance Note') 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 the Company's 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 Act.

Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, and the Guidance Note 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 financial statements were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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.
5. 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 financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. 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 include 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)

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Annexure B to the Independent Auditor's Report of even date to the members of Sternal Buildcon Private Limited on the financial statements for the year ended 31 March 2022 (cont'd)

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. 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 controls 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

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2022, based on internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



Neeraj Sharma
Partner
Membership No.: 502103

UDIN: 22502103AJWJJH9075



Place: Gurugram
Date: 30 May 2022

Sternal Buildcon Private Limited
Balance Sheet as at 31 March 2022
(All amounts are Rs. in lakhs, unless otherwise specified)


	Note	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
ASSETS				
Non-current assets				
Property, plant and equipment	4A	298.02	301.91	48.35
Intangible assets	4B	-	0.04	0.04
Financial assets				
Investments	5	0.01	0.01	0.01
Other financial assets	6	1,197.22	407.12	20.87
Deferred tax assets (net)	7	462.78	362.22	482.63
Income tax assets (net)	8	121.27	16.06	2.44
		2,079.30	1,087.36	554.34
Current assets				
Inventories	9	48,827.18	45,052.61	22,341.10
Financial assets				
Trade receivables	10	1,755.32	1,980.82	2.62
Cash and cash equivalents	11	8,837.05	3,808.05	288.25
Bank balances other than cash and cash equivalents	12	85.70	41.47	7.30
Loans	13	-	-	564.65
Other financial assets	14	1,024.21	1,998.07	1,634.55
Other current assets	15	7,448.08	3,100.46	600.86
		67,977.54	55,981.48	25,439.33
Total current assets		70,056.84	57,068.84	25,993.67
Total assets				
EQUITY AND LIABILITIES				
Equity				
Equity share capital	16	700.00	700.00	600.00
Other equity	17	(4,257.31)	(2,932.70)	(1,851.18)
Total equity		(3,557.31)	(2,232.70)	(1,251.18)
Non current liabilities				
Financial liabilities				
Borrowings	18	3,356.11	4,107.15	24.97
Other financial liabilities	19	15.91	-	-
Provisions	20	59.90	29.01	18.80
		3,431.92	4,136.16	43.77
Current liabilities				
Financial liabilities				
Borrowings	21	8,756.09	4,059.45	110.57
Trade payables	22			
Total outstanding dues of micro enterprises and small enterprises		41.82	15.54	6.87
Total outstanding dues of creditors other than micro and small enterprises		24,073.50	12,191.88	2,468.98
Other financial liabilities	23	1,384.16	694.82	41.32
Other current liabilities	24	35,924.02	38,202.43	24,547.54
Income tax liabilities (net)	25	-	-	24.98
Provisions	26	2.64	1.26	0.82
		70,182.23	55,165.38	27,201.08
Total current liabilities		70,056.84	57,068.84	25,993.67
Total equity and liabilities				

Summary of significant accounting policies

The accompanying notes form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date.

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Neeraj Sharma
Partner
Membership No.: 502103



Place: Gurugram
Date: 30 May 2022

For and on behalf of the Board of Directors of
Sternal Buildcon Private Limited


Lalit Kumar Aggarwal
Director
DIN: 00203664


Ravi Aggarwal
Director
DIN: 00203856


Gaurav Srivastava
Company Secretary
Membership No. A32060

Sternal Buildcon Private Limited**Statement of Profit and Loss for the year ended 31 March 2022***(All amounts are Rs. in lakhs, unless otherwise specified)*

	Note	For the year ended 31 March 2022	For the year ended 31 March 2021
Revenue:			
Revenue from operations	27	26,649.79	1,974.68
Other income	28	1,009.72	193.63
Total income		27,659.51	2,168.31
Expenses:			
Cost of sales			
Project expenses incurred during the year	29	30,735.35	24,254.34
Changes in inventories	29	(3,774.58)	(22,738.72)
Employee benefits expense	30	203.06	256.83
Finance costs	31	162.51	12.44
Depreciation and amortisation expense	32	83.68	61.47
Other expenses	33	1,675.95	1,280.36
Total expenses		29,085.97	3,126.72
Loss before tax		(1,426.46)	(958.41)
Tax expense:	34		
Deferred tax (credit)/charge		(120.41)	120.41
Deferred tax - earlier years		19.85	-
Total tax (credit)/expense		(100.56)	120.41
Loss for the year		(1,325.90)	(1,078.82)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans		1.29	(2.70)
Other comprehensive income		1.29	(2.70)
Total comprehensive loss for the year		(1,324.61)	(1,081.52)
Earnings per equity share (₹ 10 per share)	35		
Basic and diluted		(18.94)	(16.39)

Summary of significant accounting policies 3

The accompanying notes form an integral part of these financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.


For Walker Chandiok & Co LLP

Chartered Accountants


Firm's Registration No.: 001076N/N500013


Neeraj Sharma
 Partner

Membership No.: 502103

Place: Gurugram
Date: 30 May 2022
For and on behalf of the Board of Directors of
Sternal Buildcon Private Limited

Lalit Kumar Aggarwal
 Director
 DIN: 00203664


Ravi Aggarwal
 Director
 DIN: 00203856


Gaurav Srivastava
 Company Secretary
 Membership No. A32060

Sternal Buildcon Private Limited
Statement of Cash Flows for the year ended 31 March 2022
(All amounts are Rs. in lakhs, unless otherwise specified)

	For the year ended 31 March 2022	For the year ended 31 March 2021
A Cash flow from operating activities		
Loss before tax	(1,426.46)	(958.41)
Adjustments for:		
Depreciation and amortisation expense	83.68	61.47
Interest income	(281.56)	(78.99)
Profit on sale of property, plant and equipment	(0.05)	-
Interest income on financial assets measured at amortised cost	(356.99)	(67.19)
Gain on fair remeasurement of financial assets/liabilities	(284.07)	-
Finance costs	162.51	12.44
Loss on modification of financial assets	75.44	-
Operating loss before working capital changes	(2,027.50)	(1,030.68)
Movement in working capital		
Inventories	(752.70)	(22,202.20)
Trade receivables	507.04	(1,911.01)
Other financial assets	973.86	(363.52)
Other current assets	(4,347.62)	(2,499.60)
Other financial liabilities	(216.35)	653.50
Other liabilities	(2,278.40)	13,656.96
Provisions	33.61	7.95
Trade payables	12,191.97	9,731.58
Cash flow from/(used in) operating activities post working capital changes	4,083.91	(3,957.02)
Income tax paid (net)	(105.22)	(38.60)
Net cash flow from/(used in) operating activities (A)	3,978.69	(3,995.62)
B Cash flows from investing activities		
Purchase of property, plant and equipments	(105.75)	(317.11)
Proceeds from sale of property, plant and equipment	10.40	-
Movement in fixed deposits (net)	(828.80)	(402.19)
Loans received back	-	564.65
Interest received	276.03	60.75
Net cash used in investing activities (B)	(648.12)	(93.90)
C Cash flows from financing activities		
Proceeds from issue of share capital	-	100.00
Proceeds from long-term borrowings	2,800.00	5,200.00
Repayment of long-term borrowings	(2,110.55)	(5.32)
Proceeds from short term borrowings	8,792.88	9,264.00
Repayment of short-term borrowings	(5,460.83)	(6,355.61)
Finance cost paid	(2,323.07)	(593.75)
Net cash flows from financing activities (C)	1,698.43	7,609.32
Net increase in cash and cash equivalents (A+B+C)	5,029.00	3,519.80
Cash and cash equivalents at the beginning of the year	3,808.05	288.25
Cash and cash equivalents at the end of the year	8,837.05	3,808.05
Cash and cash equivalent at the end of the year		
Cash on hand	14.51	15.24
Balances with banks		
In current accounts	1,951.04	566.88
In deposit accounts	6,871.50	3,225.93
Total	8,837.05	3,808.05

Note : The above cash flow statement has been prepared under "indirect method" as set out in the Indian Accounting Standard (Ind AS-7) statement of cash flow.

This is Statement of Cash Flows referred to in our report of even date


For Walker Chandiok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013


Neeraj Sharma
Partner
Membership No.: 502103

For and on behalf of the Board of Directors of
Sternal Buildcon Private Limited


Lalit Kumar Aggarwal
Director
DIN: 00203664


Ravi Aggarwal
Director
DIN: 00203856


Gaurav Srivastava
Company Secretary
Membership No. A32060

Place: Gurugram
Date: 30 May 2022

Sternal Buildcon Private Limited**Statement of Changes in Equity for the year ended 31 March 2022***(All amounts are Rs. in lakhs, unless otherwise specified)***A. Equity share capital***

Particulars	Balance as at 1 April 2020	Changes in equity share capital during the year	Balance as at 31 March 2021	Changes in equity share capital during the year	Balance as at 31 March 2022
Equity share capital	600.00	100.00	700.00	-	700.00

B. Other equity**

Particulars	Retained earnings	Total
Balance as at 1 April 2020	(1,851.18)	(1,851.18)
Loss for the year	(1,078.82)	(1,078.82)
Re-measurements of the defined benefit plans	(2.70)	(2.70)
Balance as at 31 March 2021	(2,932.70)	(2,932.70)
Loss for the year	(1,325.90)	(1,325.90)
Re-measurements of the defined benefit plans	1.29	1.29
Balance as at 31 March 2022	(4,257.31)	(4,257.31)

*Refer note 16 for details

*Refer note 17 for details

The accompanying notes form an integral part of these financial statements.

This is Statement of Changes in Equity referred to in our report of even date

For Walker Chandio & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013


Neeraj Sharma

Partner

Membership No.: 502103

**Place:** Gurugram**Date:** 30 May 2022

For and on behalf of the Board of Directors of

Sternal Buildcon Private Limited

Lalit Kumar Aggarwal

Director

DIN: 00203664


Ravi Aggarwal

Director

DIN: 00203856


Gaurav Srivastava

Company Secretary

Membership No. A32060

Sternal Buildcon Private Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**

(All amounts in Rs. lakhs, unless stated otherwise)

1. Company information

Sternal Buildcon Private Limited (the 'Company') was incorporated on 10 September 2009. The Company is engaged in the business of real estate development. The Company is domiciled in India and the registered office is located at 1309, 13th Floor, Dr. Gopal Das Bhawan 28, Barakhamba Road, Connaught Place, New Delhi - 110001.

2. Basis of preparation and statement of compliance with Ind AS

The financial statements ('financial statements') comply in all material aspects with Indian Accounting Standards (hereinafter referred to as the 'Ind AS') as notified by Ministry of Corporate Affairs under Section 133 of the Companies Act, 2013 ('the Act') read with the Companies (Indian Accounting Standards) Rules 2015, as amended and other relevant provisions of the Act.

For all periods up to and including the year ended 31 March 2021, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP) which is considered as "Previous GAAP". The financial statements for the year ended 31 March 2022 are the first Ind AS Financial statements of the Company. As per the principles of Ind AS 101, the transition date to Ind AS is 1 April 2020. Refer Note 49 for understanding the transition from previous GAAP to Ind AS and its effect on the Company's financial position and financial performance.

The financial statements for the year ended 31 March 2022 were authorized and approved for issue by the Board of Directors on 30 May 2022. The revision to financial statements is permitted by Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

These financial statements are presented in Indian rupees (Rs. lakhs), which is also the Company's functional and presentation currency. All amounts have been rounded-off to the nearest lakhs upto two place of decimal, unless otherwise indicated.

3. Summary of significant accounting policies

The financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These were used throughout all periods presented in the financial statements, except where the company has applied certain accounting policies and exemptions upon transition to Ind AS.

(a) Historical cost basis

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities which are measured at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

(b) Current versus non-current classification

All assets and liabilities have been classified as current or non-current as per operating cycle and other criteria set-out in the Act. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

(c) Recent accounting pronouncement**Amendment to Ind AS 16, Property, Plant and Equipment**

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

Amendment to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

Amendment to Ind AS 103, Business Combinations

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 103 and has added a new exception in the standard for liabilities and contingent liabilities.

Amendment to Ind AS 109, Financial Instruments

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 109 which clarifies that which fees an entity should include when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The Company is evaluating the impact of the above amendments on these financial statements.

(d) Property, plant and equipment ('PPE')

Recognition, measurement and de-recognition

PPE are stated at cost; net of tax or duty credits availed, less accumulated depreciation and impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing PPE, 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.

Gains or losses arising from de-recognition of PPE 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 the asset is de-recognised.

Subsequent measurement (depreciation and useful lives)

Depreciation on PPE is provided on the written down value method, computed on the basis of useful life prescribed in Schedule II to the Act ('Schedule II').

Considering the applicability of Schedule II as mentioned above, in respect of certain class of assets – the Management has assessed the useful lives lower than as prescribed in the Schedule II, based on the technical assessment.

(e) Intangible assets

Intangible assets comprise softwares including accounting software and implementation cost of accounting software. Intangible assets are stated at cost of acquisition less impairment (if any) and include all attributable costs of bringing intangible assets to its working condition for its intended use. These are amortised over the estimated useful economic life.

(f) Impairment of non-financial assets

At each balance sheet date, the company assesses whether there is an indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset

belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost and impairment loss is accordingly reversed in the Statement of Profit and Loss.

(g) Financial instruments

Financial assets

Recognition and initial measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Subsequent measurement

Financial assets carried at amortised cost – a financial asset is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- 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 amortised cost using the effective interest rate (EIR) method.

De-recognition of financial assets

A financial asset is de-recognised when the contractual rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

Financial liabilities

Recognition and initial measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Subsequent measurement

Subsequent to initial recognition, the measurement of financial liabilities depends on their classification, as described below:

De-recognition of financial liabilities

A financial liability is de-recognised 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(h) Impairment of financial assets



Sternal Buildcon Private Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**

(All amounts in Rs. lakhs, unless stated otherwise)

The Company assesses on a forward-looking basis the expected credit loss associated with its financial assets and the impairment methodology depends on whether there has been a significant increase in credit risk.

Trade receivables

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets

In respect of its other financial assets, the company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the company uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the company compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The company assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

(i) Inventories

Inventories comprises of:

- i. Projects in progress includes cost of land/development cost of land, internal development costs, external development charges, construction costs, development/construction materials, overheads, borrowing costs and other directly attributable expenses and is valued at cost or net realisable value ('NRV'), whichever is lower.
- ii. Land received under collaboration arrangements is measured at fair value of consideration and is recognised as inventory at the time of the launch of the project. The non-refundable security deposit paid by the Company under the collaboration arrangements is classified as security deposit and presented in the balance sheet under the heading other current assets. This deposit is reclassified to inventory once letter of intent for granting license on said land is received from the authorities and at the time of the launch of the project, such deposit is adjusted with fair value of the consideration.

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

(j) Borrowing costs

Borrowing costs directly attributable to the acquisition and/or construction/production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are charged to the statement of profit and loss as incurred. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

(k) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods and services before transferring them to the customers.

Sternal Buildcon Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in Rs. lakhs, unless stated otherwise)

Revenue from sale of properties

Revenue from sale of properties is recognized when the performance obligations are essentially complete and credit risks have been significantly eliminated. The performance obligations are considered to be complete when control over the property has been transferred to the buyer i.e. offer for possession (possession request letter) of properties have been issued to the customers and substantial sales consideration is received from the customers.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the company expects to be entitled in exchange for transferring property to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

For each performance obligation identified, the company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognised by the company when the control is transferred as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

The costs estimates are reviewed periodically and effect of any change in such estimate is recognized in the period such changes are determined. However, when the total estimated cost exceeds total expected revenues from the contracts, the loss is recognized immediately.

Revenue from sale of land rights under collaboration

Revenue from sale of land rights under collaboration, wherein the consideration is recognised at fair value (once it is reasonably certain) in accordance with the terms of the agreement.

Scrap sale

Scrap sales are recognised when control of scrap goods is transferred i.e. on dispatch of goods and are accounted for net of returns and rebates.

Interest on bank deposits

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

Service income

Interest on delayed receipts, cancellation/forfeiture income and transfer fees from customers are recognized on accrual basis except in cases where ultimate collection is considered doubtful.

(l) Cost of sales in respect of properties

Cost of constructed properties includes cost of land (including development rights), estimated internal development costs, external development charges, other related government charges, borrowing costs, overheads construction costs and development/construction materials, which is charged to the Statement of Profit and Loss proportionate to the revenue recognised as per accounting policy on revenue from sale of properties.

(m) Retirement and other employee benefits

i) Provident fund

The Company makes contributions to statutory provident fund in accordance with the Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan. The company's contributions paid/payable under the scheme is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

ii) Gratuity



Sternal Buildcon Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts in Rs. lakhs, unless stated otherwise)

Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is determined by actuarial valuation as on the balance sheet date, using the projected unit credit method.

Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income in the period in which they occur and are not reclassified to profit or loss in subsequent periods.

iii) *Compensated absences*

Liability in respect of compensated absences becoming due or expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method. Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of profit and loss in the year in which such gains or losses are determined.

iv) *Other short-term benefits*

Expense in respect of other short-term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

(n) Brokerage

The brokerage cost incurred for obtaining the contract with customer is recognized as an asset as "Prepaid Expenses" under "Other assets" and expensed off in the statement of profit and loss when the corresponding revenue for the contract is recognized and is presented under the head "Other Expenses".

(o) Earnings per share

Basic earnings per share is 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 year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, share split and any new equity issue. 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.

(p) Provisions, contingent assets and contingent liabilities

Provisions are recognized only when there is a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of obligation can be made at the reporting date. Provisions are discounted to their present values, where the time value of money is material, using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

(q) Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statements comprise cash at bank and in hand and short-term bank deposits with an original maturity of three months or less. For cash flow statement purposes, cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

(r) Income taxes

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in statement of profit and loss except to the extent that it relates to items recognised directly in equity or other comprehensive income.

The current income-tax charge is calculated on the basis of the tax laws enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, on temporary differences arising between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the respective entity will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the entity recognizes MAT credit as an asset, it is created by way of credit to the statement of profit and loss and shown as part of deferred tax asset. The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

(s) Critical estimates and judgements

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these judgements, assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Impairment of non-financial assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

Impairment of financial assets

The company estimates the recoverable amount of trade receivables and other financial assets where collection of the full amount is expected to be no longer probable. For individually significant amounts, this estimation is performed on an individual basis considering the length of time past due, financial condition of the counter- party, impending legal disputes, if any and other relevant factors.

Recognition of deferred tax assets



Sternal Buildcon Private Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022**

(All amounts in Rs. lakhs, unless stated otherwise)

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the company's future taxable income against which the deferred tax assets can be utilized.

Provisions

At each balance sheet date basis the management judgment, changes in facts and legal aspects, the company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

Contingencies

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. A tax provision is recognised when the company has a present obligation as a result of a past event; it is probable that the Company will be required to settle that obligation. Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements. When considering the classification of a legal or tax cases as probable, possible or remote there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific tax law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to inform their decision. Although there can be no assurance regarding the final outcome of the legal proceedings, the company does not expect them to have a materially adverse impact on the company's financial position or profitability.

Revenue and inventories

The estimates around total budgeted cost i.e., outcomes of underlying construction and service contracts, which further require estimates to be made for changes in work scopes, claims (compensation, rebates, etc.), the cost of meeting other contractual obligations to the customers and other payments to the extent they are probable, and they are capable of being reliably measured. For the purpose of making these estimates, the company used the available contractual and historical information and also its expectations of future costs. The estimates of the saleable area are also reviewed periodically and effect of any changes in such estimates is recognised in the period such changes are determined.

Accounting for revenue and land cost for projects executed through joint development arrangements

For projects executed through joint development arrangements, the Company has evaluated that land owners are engaged in the same line of business as the Company. The revenue from the development and transfer of constructed area/revenue sharing arrangement and the corresponding land/ development rights received under joint development arrangement is measured at the fair value of the estimated consideration payable to the land owner and the same is accounted on launch of the project. The fair value is estimated with reference to the terms of the joint development arrangement. Such assessment is carried out at the launch of the real estate project and is reassessed at each reporting period. The management is of the view that the fair value method and estimates are reflective of the current market condition.

Useful lives of depreciable/amortisable assets

Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

Fair value measurement

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

Defined benefit obligation (DBO)

Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.



4A Property, plant and equipment

Particulars	Computer and software	Office equipment	Furniture and fixtures	Plant and machinery	Vehicle	Total
Gross block						
Balance as at 1 April 2020	0.07	13.80	-	14.06	38.43	66.36
Additions	-	15.40	3.30	6.50	291.91	317.11
Disposals	-	-	-	-	-	-
Balance as at 31 March 2021	0.07	29.20	3.30	20.56	330.34	383.47
Additions	0.13	59.80	3.43	37.82	10.63	111.81
Disposals	-	-	-	-	(26.10)	(26.10)
Balance as at 31 March 2022	0.20	89.00	6.73	58.38	314.87	469.18
Accumulated depreciation						
Balance as at 1 April 2020	0.07	10.11	-	5.87	1.96	18.01
Charge for the year	-	4.29	0.33	2.07	56.86	63.55
Disposals	-	-	-	-	-	-
Balance as at 31 March 2021	0.07	14.40	0.33	7.94	58.82	81.56
Charge for the year	-	9.92	1.18	3.84	84.35	99.29
Disposals	-	-	-	-	(9.69)	(9.69)
Balance as at 31 March 2022	0.07	24.32	1.51	11.78	133.48	171.16
Net block as at 1 April 2020	-	3.69	-	8.19	36.47	48.35
Net block as at 31 March 2021	-	14.80	2.97	12.62	271.52	301.91
Net block as at 31 March 2022	0.13	64.68	5.22	46.60	181.39	298.02

4B Intangible assets

Particulars	Softwares	Total
Gross block		
Balance as at 1 April 2020	0.87	0.87
Additions	-	-
Disposals	-	-
Balance as at 31 March 2021	0.87	0.87
Additions	-	-
Disposals	-	-
Balance as at 31 March 2022	0.87	0.87
Accumulated amortisation		
Balance as at 1 April 2020	0.83	0.83
Charge for the year	-	-
Disposals	-	-
Balance as at 31 March 2021	0.83	0.83
Charge for the year	-	-
Disposals	0.04	0.04
Balance as at 31 March 2022	0.79	0.79
Net block as at 1 April 2020	0.04	0.04
Net block as at 31 March 2021	0.04	0.04
Net block as at 31 March 2022	-	-

Particulars	31 March 2022	31 March 2021
Total depreciation during the year	99.29	63.55
Less: transfer to project cost	15.61	2.08
Net charged to statement of profit and loss	83.68	61.47

5 Investments

Non-trade investment (valued at cost)
Corpus fund contribution in Signatureglobal Foundation Trust

Aggregate amount of unquoted investments

As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
0.01	0.01	0.01
0.01	0.01	0.01
0.01	0.01	0.01

6 Other non current financial assets

Deposits with maturity for more than 12 months*

As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
1,197.22	407.12	20.87
1,197.22	407.12	20.87

*Includes deposit pledged with Director General Town and Country Planning Haryana, National Highways Authority of India and interest coverage security on secured loan.

7 Deferred tax assets (net)

Deferred tax assets on account of :-
Unused business losses
Minimum alternative tax entitlement
Deferred tax liabilities on account of :-
Effect of expenditure debited to statement of profit and loss account but allowed for tax purposes in following years

As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
235.70	-	-
462.78	482.63	482.63
(235.70)	(120.41)	-
462.78	362.22	482.63

The unused tax benefits for which no deferred tax assets is recognized, are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Unabsorbed depreciation (never expire)			
Gross amount	100.53	57.34	-
Unrecognised tax impact	29.27	14.91	-
Unused tax losses (expiry in assessment year 2029-30 and assessment year 2030-31)			
Gross amount	212.93	744.96	-
Unrecognised tax impact	62.00	193.69	-

During the year ended 31 March 2022, the Company has recognized deferred tax asset of Rs. 120.41 lakhs based on the business projections of taxable earnings in the near future. While recognizing such deferred tax assets, the Company has been cognizant enough to consider the history of losses they have, uncertainties of business in place and rising input costs. Carrying value of the deferred tax assets (net) is Rs. 462.78 lakhs as at 31 March 2022. The Company is eligible for deduction under section 80IBA of Income-tax Act, 1961 (subject to compliance of conditions mentioned under that section) in respect of its profits and gains derived from the business of developing and building housing projects which meet the criteria for such deduction as per the provisions of the Income-tax Act, 1961. Hence, the Company has not created the deferred tax assets in respect of carry forward losses, unabsorbed depreciation and other timing differences with respect to such projects. The Company has created deferred tax assets on carry forward losses, unabsorbed depreciation and other timing differences from housing projects which do not meet the criteria for above deduction.

Carry forward losses

(i) Movement in deferred tax assets (net)

Particulars	1 April 2020	Recognised/ reversed through profit and loss	31 March 2021	Earlier year adjustments	Recognised/ reversed through profit and loss	31 March 2022
Assets						
Unused business losses	-	-	-	-	235.70	235.70
Minimum alternative tax (MAT) entitlement	482.63	-	482.63	(19.85)	-	462.78
Deferred tax assets	482.63	-	482.63	(19.85)	235.70	698.48
Liabilities						
Effect of expenditure debited to statement of profit and loss account but allowed for tax purposes	-	(120.41)	(120.41)	-	(115.29)	(235.70)
Deferred tax liabilities	-	(120.41)	(120.41)	-	(115.29)	(235.70)
Net Deferred Tax Assets	482.63	(120.41)	362.22	(19.85)	120.41	462.78

8 Income tax assets (net)

Income-tax paid (net of provision for taxation)

As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
121.27	16.06	2.44
121.27	16.06	2.44

9 Inventories

(Valued at lower of cost or net realisable value, unless otherwise stated)

Projects-in-progress*

As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
48,827.18	45,052.61	22,341.10
48,827.18	45,052.61	22,341.10

*Inventories have been pledged/mortgaged as security for borrowing taken by the Company and related parties.

10 Trade receivables

Unsecured, considered good unless otherwise stated

As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
1,755.32	1,980.82	2.62
1,755.32	1,980.82	2.62

Particulars	Outstanding for following periods from due date of payment						
31 March 2022	Unbilled	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables, considered good	1,711.57	43.76	-	-	-	-	1,755.32
	1,711.57	43.76	-	-	-	-	1,755.32
31 March 2021	Unbilled	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables, considered good	1,908.22	72.60	-	-	-	-	1,980.82
	1,908.22	72.60	-	-	-	-	1,980.82
1 April 2020	Unbilled	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed trade receivables, considered good	-	2.62	-	-	-	-	2.62
	-	2.62	-	-	-	-	2.62

11 Cash and cash equivalents

	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Cash on hand	14.51	15.24	16.32
Balances with banks			
In current accounts	1,951.04	566.88	254.68
In deposit accounts	6,871.50	3,225.93	-
Cheques in hand	-	-	17.25
	8,837.05	3,808.05	288.25

12 Bank balances other than cash and cash equivalents

Deposits with maturity of more than three months but less than twelve months (a)

	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
	85.70	41.47	7.30
	85.70	41.47	7.30

(a) Includes deposit pledged with Director General Town and Country Planning Haryana, Sales tax Department, Haryana Real Estate Regulatory Authority and Interest coverage security on secured loan.

13 Loans

(Unsecured, considered good)

Loans to related parties

	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
	-	-	564.65
	-	-	564.65

Type of Borrower

	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
	Amount of loan or advances in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advances in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans	Amount of loan or advances in the nature of loan outstanding	Percentage to the total Loans and Advances in the nature of loans
Promoters	-	-	-	-	-	-
Directors	-	-	-	-	-	-
KMPs	-	-	-	-	-	-
Related Parties	-	-	-	-	564.65	100.00%
	-	-	-	-	564.65	100.00%

14 Other financial assets

(Unsecured, considered good)

Advances recoverable

Refundable security deposits

	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
	-	84.75	23.45
	1,024.21	1,913.32	1,611.10
	1,024.21	1,998.07	1,634.55

15 Other current assets

Prepaid expenses

- Brokerage

- Others

Advances to contractors and material suppliers

- to related party

- to others

Non-refundable security deposit

Balances with government authorities

	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
	1,162.63	396.65	251.21
	4.29	117.18	85.10
	5,613.58	1,642.80	-
	153.90	14.77	11.20
	282.00	589.60	-
	231.68	339.46	253.35
	7,448.08	3,100.46	600.86

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Sternal Buildcon Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(All amounts are Rs. in lakhs, unless otherwise specified)

16 Equity share capital

Authorized shares

Equity shares of ₹ 10 each with voting rights

	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
	Number	Amount	Number	Amount	Number	Amount
	7,000,000	700.00	7,000,000	700.00	6,000,000	600.00
	7,000,000	700.00	7,000,000	700.00	6,000,000	600.00

Issued, subscribed and fully paid up

Equity share capital of face value of ₹ 10 each

	7,000,000	700.00	7,000,000	700.00	6,000,000	600.00
	7,000,000	700.00	7,000,000	700.00	6,000,000	600.00

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

	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
	Number	Amount	Number	Amount	Number	Amount
Balance at the beginning of the year	7,000,000	700.00	6,000,000	600.00	6,000,000	600.00
Issued during the year	-	-	1,000,000	100.00	-	-
Balance at the end of the year	7,000,000	700.00	7,000,000	700.00	6,000,000	600.00

The Company has not allotted any fully paid up shares pursuant to contract(s) without payment being received in cash nor has allotted any paid up shares by way of bonus shares nor has bought back any class of shares during the period of five years immediately preceding the balance sheet date.

b. Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board of Directors in any financial year 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. The distribution will be in proportion to the number of equity shares held by the shareholders. The equity shares shall be transferable subject to the provisions contained in the Articles of Association and in the agreements entered/to be entered into with the investors/shareholders from time to time.

c. Details of shares held by Holding Company and shareholders holding more than 5% shares in the Company

Name of the equity shareholder	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
	Number	%	Number	%	Number	%
Signatureglobal (India) Limited	7,000,000	100.00%	7,000,000	100.00%	6,000,000	100.00%

d. There are no equity shares have been issued for consideration other than cash also there are no equity shares which are reserve for issue under any option.

e. Note on Share Capital

Shares held by promoters at the end of the year 31 March 2022				% Change during the year
S.No.	Promoter name	No. of shares	% of total shares	
1	Signatureglobal (India) Limited	6,999,999	100.00%	-
2	Mr. Ravi Aggarwal as a nominee of Signatureglobal (India) Limited	1	0.00%	-

Shares held by promoters at the end of the year 31 March 2021				% Change during the year
S.No.	Promoter name	No. of shares	% of total shares	
1	Signatureglobal (India) Limited	6,999,999	100.00%	16.67%
2	Mr. Ravi Aggarwal as a nominee of Signatureglobal (India) Limited	1	0.00%	-

Shares held by promoters as at 1 April 2020				% Change during the year
S.No.	Promoter name	No. of shares	% of total shares	
1	Signatureglobal (India) Limited	5,999,999	100.00%	-
2	Mr. Ravi Aggarwal as a nominee of Signatureglobal (India) Limited	1	0.00%	-

Note: During the year ended 31 March 2021, new 1,000,000 shares were issued. Before and after this new issue, there is no change in % of total shares held by Signatureglobal (India) Limited (formerly known as Signatureglobal(India) Private Limited).

17 Other equity

Deficit in the statement of profit and loss

Opening balance
Loss for the year
Re-measurements of the defined benefit plans
Closing balance

	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
	(2,932.70)	(1,851.18)	(1,508.61)
	(1,325.90)	(1,078.82)	(342.99)
	1.29	(2.70)	0.42
	(4,257.31)	(2,932.70)	(1,851.18)

Total

	(4,257.31)	(2,932.70)	(1,851.18)
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18 Borrowings

Secured

Indian rupee loan from bank (a)
Indian rupee loan from financial institution (b)
Less: Amount disclosed under the head "current borrowings"

	As at 31 March 2022	Non-current As at 31 March 2021	As at 1 April 2020	As at 31 March 2022	Current As at 31 March 2021	As at 1 April 2020
	2,570.48	2,025.99	-	1,606.57	520.00	-
	785.63	2,081.16	24.97	803.84	525.81	5.32
	-	-	-	(2,410.41)	(1,045.81)	(5.32)
	3,356.11	4,107.15	24.97	-	-	-

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19 Other non current financial liabilities

Interest free maintenance security deposits received from customers

As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
15.91	-	-
15.91	-	-

20 Provisions - Non-current

Provision for employee benefits

Gratuity (refer note 40)

Compensated absences (refer note 40)

As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
35.02	23.15	12.47
24.88	5.86	6.33
59.90	29.01	18.80

21 Borrowings - current

Secured

Current maturities of non-current borrowings (refer note 18)

Unsecured

Indian rupee loan from related parties (a)

As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
2,410.40	1,045.81	5.32
6,345.69	3,013.64	105.25
8,756.09	4,059.45	110.57

(a) The Company has taken the unsecured loan from the Signatureglobal (India) Limited (the Holding Company), which is repayable on demand and carries an interest rate of 18.00% per annum (31 March 2021: 18.00% and 31 March 2020: 16.00% per annum).

22 Trade payables

Due to micro and small enterprises

Due to others*

As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
41.82	15.54	6.87
24,073.50	12,191.88	2,468.98
24,115.32	12,207.42	2,475.85

*Due to others includes

a) Obligation of the Company towards provision of constructed area to the land owners for the project under collaboration.

b) Deferred payment liabilities represents the external development charges payable and infrastructure development charges payable to the government authorities after the year ended 31 March 2022, 31 March 2021 and 1 April 2020.

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Particulars

i) the principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year;

ii) the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during

iii) 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 this Act;

iv) the amount of interest accrued and remaining unpaid at the end of each accounting year; and

v) 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

As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
41.82	15.54	6.87
-	-	-
-	-	-
-	-	-
-	-	-
41.82	15.54	6.87

Trade payable ageing schedule for the year ended as on 31 March 2022

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding due to MSME	-	41.82	-	-	-	41.82
Others	17,100.48	5,902.88	898.93	68.58	102.63	24,073.50
Total payables	17,100.48	5,944.70	898.93	68.58	102.63	24,115.32

Trade payable ageing schedule for the year ended as on 31 March 2021

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding due to MSME	-	15.54	-	-	-	15.54
Others	9,302.00	2,874.22	4.04	10.60	1.01	12,191.88
Total payables	9,302.00	2,889.76	4.04	10.60	1.01	12,207.42

Trade payable ageing schedule for the year ended as on 01 April 2020

Particulars	Outstanding for following periods from due date of payment					
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Outstanding due to MSME	6.87	-	-	-	-	6.87
Others	1,088.50	1,368.89	8.23	3.33	0.03	2,468.98
Total payables	1,095.37	1,368.89	8.23	3.33	0.03	2,475.85

23 Other financial liabilities

Interest accrued but not due on borrowings

Security deposits

Book overdraft

Payable to employees

Other payable

As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
921.60	-	-
81.00	65.00	25.00
337.89	597.88	8.55
43.67	31.61	4.60
-	0.33	3.17
1,384.16	694.82	41.32

24 Other current liabilities

Advance received from customers

Statutory dues payable

As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
34,600.96	37,983.95	24,396.66
1,323.06	218.48	150.88
35,924.02	38,202.43	24,547.54

25 Income tax liabilities (net)

Provision for income tax (net of income-tax paid)

As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
-	-	24.98
-	-	24.98

26 Provisions - current

Provision for employee benefits

Gratuity (refer note 40)

Compensated absences (refer note 40)

As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
1.27	0.69	0.23
1.37	0.57	0.59
2.64	1.26	0.82

S. No.	Bank/Non-Banking Financial Institution	Secured by way of:	31 March 2022	31 March 2021	1 April 2020
1	Term loan of Rs. 2,600.00 Lakhs from State Bank of Mauritius, term loan is repayable in 10 equal quarterly installments Rate of interest: 11.50% p.a. to be linked to State Bank of Mauritius 12 months Marginal cost of funds based lending rate (MCLR) at the time of disbursement.	1) Charge by way of equitable mortgage over land building, and structures thereon on the affordable housing project at sector-95 Gurugram 2) Charge by way of equitable mortgage over land building, and structures thereon on the proxima affordable housing project at sector-89 Gurugram 3) Charge by way of hypothecation over receivables (both present and future) including escrow account pertaining to the project 4) Demand promissory note from the company 5) 3 months interest reserve account (ISRA) to be created upfront 6) Post dated cheques for principal repayment and 1 month interest payment to be submitted upfront 7) Personal guarantee from promoters	1,587.40	2,600.00	-
2	Term loan of Rs. 800.00 Lakhs from State Bank of Mauritius, term is repayable in 9 equal quarterly installments Rate of interest: 11.25% p.a. linked to 12 month Marginal cost of funds based lending rate (MCLR), payable monthly	1) Charge by way of equitable mortgage over land building, and structures thereon on the Signatureglobal park 1 and park 3 Ext residential project at sector -36 sohna, Gurugram 2) Charge by way of hypothecation over receivables (both present and future) including escrow account pertaining to the project 3) Charge over escrow account to be created by the company 4) Demand promissory note 5) Charge over interest reserve account (ISRA) 6) Post dated cheques for principal repayment and 1 month interest payment 7) Personal guarantee from promoters. 8) 25% share pledge of fellow subsidiary company (Signatureglobal Homes Private Limited) in favour of State Bank of Mauritius Bank/other lender (post release by HDFC capital)	730.02	-	-
3	Term loan of Rs. 2,600.00 Lakhs from Arka Fincap Limited, term loan is repayable in 10 equal quarterly installments Rate of interest: 12.80% p.a. payable monthly.	1) Exclusive charge by way of equitable/registered mortgage over land and buildings, and structures thereon on the affordable housing project at sector-95 gurugram 2) Exclusive charge by way of hypothecation over receivables (both present and future) including escrow account pertaining to the project 3) Charge by way of equitable mortgage over land building, and structures thereon on the proxima affordable housing project at sector-89 Gurugram 4) Exclusive charge over escrow account to be created by the company 5) First and exclusive charge over interest reserve account (ISRA) 6) Demand promissory note 7) Post dated cheques for principal repayment and interest payment 8) Corporate guarantee from holding company (Signatureglobal (India) Limited) 9) Personal guarantee from promoters	1,587.40	2,600.00	-
4	Term loan of Rs. 2,000.00 Lakhs from IndusInd Bank, term loan is repayable in 8 equal quarterly installments Rate of interest: 9.15% p.a. payable monthly (linked to 1 year IndusInd bank Limited Marginal cost of funds based lending rate (MCLR) + Applicable spread).	1) First Exclusive charge by way of equitable mortgage on the land and building of the retail mall, sohna gurugram being developed by the company 2) First Exclusive charge by way of hypothecation the sold and unsold receivables corresponding to the retail mall, sohna gurugram being developed by the company 3) First Exclusive charge by way of hypothecation on the sold and unsold receivables corresponding to Deen Dayal Jan Awas Yojana project being developed in Joint Development Agreement model in sector 37-D gurugram 4) Cross collateralization of the karnal project 5) Post dated cheques for the term loan facility 6) Corporate guarantee from holding company (Signatureglobal (India) Limited) and from fellow subsidiary companies, Fantabulous Town Developers Private Limited and Maa Vaishno Net-Tech Private Limited. 7) Personal guarantee of promoters and related parties (Mr. Ravi Aggarwal, Mr Lalit Aggarwal, Mr Pradeep Aggarwal, Mr Deverder Aggarwal)	2,000.00	-	-
5	Vehicle loans amounting to Rs. 31.45 lakhs from Kotak Mahindra Prime Limited taken for 5 years repayable in fixed monthly installments.	Loan is secured against hypothecation of vehicles with Kotak Mahindra Prime Limited.	9.60	24.97	30.29
		Total borrowings	5,914.42	5,224.97	30.29
		Less: Unamortised processing fees	(147.90)	(72.00)	-
		Borrowings	5,766.52	5,152.97	30.29

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Sternal Buildcon Private Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022***(All amounts are Rs. in lakhs, unless otherwise specified)*

	For the year ended 31 March 2022	For the year ended 31 March 2021
27 Revenue from operations		
Operating revenue		
Revenue from real estate projects	26,438.66	-
Revenue from sale of land rights under collaboration	-	1,916.10
Other operating revenue		
Scrap sales	-	32.14
Cancellation charges	211.13	26.44
	26,649.79	1,974.68
28 Other income		
Interest income on:		
Bank deposits	272.54	54.90
Loan given	9.02	24.08
Delay payment by customer	73.63	47.46
Financial asset measured at amortised cost	356.99	67.19
Gain on remeasurement of financial assets/liabilities	284.07	-
Profit on sale of property, plant and equipment	0.05	-
Miscellaneous income	13.42	-
	1,009.72	193.63
29 Cost of sales		
Project expenses incurred during the year	30,735.35	24,227.13
Cost of land sold	-	27.21
Total (a)	30,735.35	24,254.34
Change in inventory		
Inventory at the beginning of the year	45,052.60	22,313.89
Add: Project expenses incurred	30,735.35	24,227.13
Less: Cost against revenue recognised	(26,960.77)	-
Less: Cost against land under collaboration recognised	-	(1,488.41)
Inventory at the end of the year	48,827.18	45,052.60
Total (b)	(3,774.58)	(22,738.72)
Total (a+b)	26,960.77	1,515.61

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Sternal Buildcon Private Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022***(All amounts are Rs. in lakhs, unless otherwise specified)***30 Employee benefits expense**

	For the year ended 31 March 2022	For the year ended 31 March 2021
Salaries, wages and bonus	445.85	366.37
Contribution to provident and other funds	8.52	4.38
Staff welfare expenses	10.76	4.66
Less : Amount transferred to projects in progress	(262.07)	(118.58)
	203.06	256.83

31 Finance costs

	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense	2,876.15	521.75
Other borrowing costs	292.62	-
Less : Amount transferred to projects in progress	(3,006.26)	(509.31)
	162.51	12.44

32 Depreciation and amortisation

	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation and amortisation expenses	99.29	63.55
Less : Amount transferred to projects in progress	(15.61)	(2.08)
	83.68	61.47

33 Other expenses

	For the year ended 31 March 2022	For the year ended 31 March 2021
Rent	-	8.37
Rates and taxes	17.48	20.92
Repair and maintenance	10.48	1.88
Advertisement and publicity	429.35	262.12
Business promotion	34.53	35.12
Commission and brokerage	299.02	767.93
Donation	35.84	15.62
Project management cost	136.26	54.28
Branding expenses	557.40	-
Travelling and conveyance	1.73	-
Loss on modification of financial assets	75.44	-
Business support services	50.37	34.04
Legal and professional fees	9.74	53.99
Payments to auditors*	5.90	1.00
House keeping expenses	-	11.00
Insurance expense	0.35	0.77
Bank charges	1.05	0.06
Printing and stationery	3.68	8.75
Electricity expenses	-	1.92
Miscellaneous expenses	7.33	2.59
	1,675.95	1,280.36

	For the year ended 31 March 2022	For the year ended 31 March 2021
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***Remuneration to auditors comprises of:**

Audit fees	5.90	1.00
	5.90	1.00

Sternal Buildcon Private Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022***(All amounts are Rs. in lakhs, unless otherwise specified)*

	For the year ended 31 March 2022	For the year ended 31 March 2021
34 Income tax		
Tax expense comprises of:		
Deferred tax credit	(120.41)	120.41
Earlier years tax adjustments (net)	19.85	-
Income tax expense reported in the statement of profit and loss	(100.56)	120.41

The major components of income tax expense and the reconciliation of expected tax expense based on the domestic effective tax rate of the Company and the reported tax expense in profit or loss are as follows:

Effective income tax rate	29.12%	26.00%
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Accounting profit before income tax	(1,426.46)	(958.41)
At India's statutory income tax rate of 29.120% (31 March 2021: 29.120%)	(415.39)	(249.19)

Tax effect of amounts which are not deductible (taxable) in calculating taxable income:

Tax impact of items on which deferred tax has not been created	268.85	366.52
Tax impact of expenses which will never be allowed	11.68	3.08
Tax impact of earlier years tax adjustments (net)	19.85	-
Impact of change in tax rate	14.45	-
Income tax expense	(100.56)	120.41

	For the year ended 31 March 2022	For the year ended 31 March 2021
35 Loss per share		
Net loss attributable to equity shareholders	(1,325.90)	(1,078.82)
Nominal value of equity share in Rs.	10.00	10.00
Total number of equity shares outstanding at the beginning of the year	7,000,000	6,000,000
Total number of equity shares outstanding at the end of the year	7,000,000	7,000,000
Weighted average number of equity shares	7,000,000	6,583,562
Basic and diluted	(18.94)	(16.39)

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Sternal Buildcon Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts are Rs. in lakhs, unless otherwise specified)

36 Financial instruments
i) Financial assets and liabilities

The carrying amounts of financial instruments by category are as follows:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
	Amortised cost	Amortised cost	Amortised cost
Financial assets*			
Trade receivables	1,755.32	1,980.82	2.62
Loans	-	-	564.65
Cash and cash equivalents	8,837.05	3,808.05	288.25
Bank balances other than cash and cash equivalents	85.70	41.47	7.30
Other financial assets	2,221.43	2,405.19	1,655.41
Total financial assets	12,899.50	8,235.53	2,518.23
Financial liabilities*			
Borrowings	12,112.20	8,166.60	135.54
Trade payables	24,115.32	12,207.42	2,475.84
Other financial liabilities	1,400.07	694.82	41.32
Total financial liabilities	37,627.59	21,068.84	2,652.70

ii) Fair value hierarchy

Financial assets and financial liabilities are measured at fair value in the financial statements and are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: Directly (i.e. as prices) or indirectly (i.e. derived from prices) observable market inputs, other than Level 1 inputs; and

Level 3: Inputs which are not based on observable market data (unobservable inputs). The input factors considered are Estimated cash flows and other assumptions.

Fair value of instruments measured at amortised cost

Fair value of instruments measured at amortised cost for which fair value is disclosed is as follows, these fair values are calculated using Level 3 inputs:

Particulars	As at 31 March 2022		As at 31 March 2021		As at 1 April 2020	
	Carrying value	Fair value*	Carrying value	Fair value*	Carrying value	Fair value*
Financial assets						
Trade receivables	1,755.32	1,755.32	1,980.82	1,980.82	2.62	2.62
Loans	-	-	-	-	564.65	564.65
Cash and cash equivalents	8,837.05	8,837.05	3,808.05	3,808.05	288.25	288.25
Bank balances other than cash and cash equivalents	85.70	85.70	41.47	41.47	7.30	7.30
Other financial assets	2,221.43	2,221.43	2,405.19	2,405.19	1,655.41	1,655.41
Total financial assets	12,899.50	12,899.50	8,235.53	8,235.53	2,518.23	2,518.23
Financial liabilities						
Borrowings	12,112.20	12,112.20	8,166.60	8,166.60	135.54	135.54
Lease liabilities	-	-	-	-	-	-
Trade payables	24,115.32	24,115.32	12,207.42	12,207.42	2,475.84	2,475.84
Other financial liabilities	1,400.07	1,400.07	694.82	694.82	41.32	41.32
Total financial liabilities	37,627.59	37,627.59	21,068.84	21,068.84	2,652.70	2,652.70

*Carrying value of these financial assets and financial liabilities represents the best estimated values.

Financial risk management

The Company's activities expose it to credit risk, liquidity risk and market risk. The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, loans and other financial assets measured at amortised cost	Ageing analysis	Diversification of bank deposits and regular monitoring
Liquidity risk	Borrowings and other financial liabilities	Cash flow forecasts	Availability of funds and credit facilities.
Market risk - interest rate	Variable rates borrowings	Sensitivity analysis	Negotiation of terms that reflect the market factors

A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial asset fails to meet its contractual obligations. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each financial asset. The carrying amounts of financial assets represent the maximum credit risk exposure. The Company monitors its exposure to credit risk on an ongoing basis.

a) Credit risk management
i) Credit risk rating

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets. The Company assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk

B: Moderate credit risk

C: High credit risk

The Company provides for expected credit loss based on the following:

Asset groups	Basis of categorisation	Provision for expected credit loss*
Low credit risk	Cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, loans and other financial assets	12 months expected credit loss
High credit risk	Trade receivables	Life time expected credit loss or fully provided for

* Life time expected credit loss is provided for trade receivables

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or a litigation decided against the Company. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognised in statement of profit and loss.

Credit rating	Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Low credit risk	Cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, loans and other financial assets	12,899.50	8,235.53	2,518.23
High credit risk	Trade receivables	-	-	-

Sternal Buildcon Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts are Rs. in lakhs, unless otherwise specified)

Cash and cash equivalents and bank balances other than cash and cash equivalents

Credit risk related to cash and cash equivalents and bank deposits is managed by only diversifying bank deposits and accounts in different banks. Credit risk is considered low because the Company deals with reputed banks.

Loans, trade receivables and other financial assets

Loans and other financial assets measured at amortized cost includes security deposits and other receivables. Credit risk related to these financial assets is managed by monitoring the recoverability of such amounts continuously. Credit risk is considered low because the Company is in possession of the underlying asset. Further, the Company creates provision by assessing individual financial asset for expectation of any credit loss basis expected credit loss model.

ii) Concentration of financial assets

The Company carries on the business as a real estate developer. Loans and other financial assets majorly represents loans to related parties and deposits given for business purposes.

b) Credit risk exposure
i) Provision for expected credit losses

The Company provides for 12 month expected credit losses for following financial assets:

As at 31 March 2022

Particulars	Estimated gross	Expected credit	Carrying amount net of impairment
Cash and cash equivalents	8,837.05	-	8,837.05
Bank balances other than cash and cash equivalents	85.70	-	85.70
Trade receivables	1,755.32	-	1,755.32
Other financial assets	2,221.43	-	2,221.43

As at 31 March 2021

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	3,808.05	-	3,808.05
Bank balances other than cash and cash equivalents	41.47	-	41.47
Trade receivables	1,980.82	-	1,980.82
Other financial assets	2,405.19	-	2,405.19

As at 1 April 2020

Particulars	Estimated gross carrying amount at default	Expected credit losses	Carrying amount net of impairment provision
Cash and cash equivalents	288.25	-	288.25
Bank balances other than cash and cash equivalents	7.30	-	7.30
Trade receivables	2.62	-	2.62
Loans	564.65	-	564.65
Other financial assets	1,655.41	-	1,655.41

B) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Maturities of financial liabilities

31 March 2022	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Non-derivatives					
Borrowings (including interest accrued)	9,706.79	2,200.36	1,018.90	250.00	13,176.05
Trade payable	16,963.85	5,462.52	4,329.82	1,810.77	28,566.97
Other financial liabilities	462.56	-	-	15.91	478.47
Total	27,133.20	7,662.88	5,348.72	2,076.68	42,221.49

31 March 2021	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Non-derivatives					
Borrowings (including interest accrued)	4,059.45	2,080.00	2,074.19	-	8,213.64
Trade payable	7,389.53	2,990.80	2,711.95	2,042.24	15,134.52
Other financial liabilities	694.82	-	-	-	694.82
Total	12,143.80	5,070.80	4,786.14	2,042.24	24,042.98

1 April 2020	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
Non-derivatives					
Borrowings (including interest accrued)	110.57	24.97	-	-	135.54
Trade payable	2,475.84	-	-	-	2,475.84
Other financial liabilities	41.32	-	-	-	41.32
Total	2,627.73	24.97	-	-	2,652.70

Sternal Buildcon Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts are Rs. in lakhs, unless otherwise specified)

The Company had access to following funding facilities* :

Funding facilities	Total facility	Drawn	Undrawn
As at 31 March 2022	5,200.00	5,200.00	-
As at 31 March 2021	8,000.00	8,000.00	-
Total	13,200.00	13,200.00	-

*The Company did not have any funding facilities as at 1 April 2020

C) Market risk

Interest rate risk

i) Liabilities

The Company's policy is to minimise interest rate cash flow risk exposures on financing. At 31 March 2022, the Company is not exposed to changes in market interest rates as Company has borrowed unsecured loan from related parties at fixed interest rates.

The Company's variable rate borrowing is subject to interest rate. Below is the overall exposure of the borrowings:

Particulars	31 March 2022	31 March 2021	31 March 2020
Variable rate borrowings	4,177.05	2,545.99	-
Fixed rate borrowings	7,935.15	5,620.61	135.54
Total borrowings	12,112.20	8,166.60	135.54

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from variable rate borrowings as a result of changes in interest rates.

Particulars	31 March 2022	31 March 2021
Interest rates – Increase by 100 basis points (31 March 2021: 100 basis points)	(41.77)	(25.46)
Interest rates – decrease by 100 basis points (31 March 2021: 100 basis points)	41.77	25.46

ii) Assets

The Company's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

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37 Related party transactions

In accordance with the requirements of Ind AS 24, 'Related Party Disclosures' and the Companies Act, 2013, the names of the related party along with the transactions and year-end balances with them as identified and certified by the management are given below:

a) Details of related parties:

Description of relationship	Names of related parties
I. Holding company	Signatureglobal (India) Limited (formerly known as Signatureglobal (India) Private Limited)
II. Key management personnel (KMP) and their relatives	
Director	Ravi Aggarwal
Director	Lalit Kumar Aggarwal
Director	Devender Aggarwal
Company Secretary	Gaurav Srivastava
III. Entities with whom there are transactions during the year	
a) Fellow subsidiaries	Signature Builders Private Limited JMK Holdings Private Limited Indeed Fincap Private Limited Signatureglobal Homes Private Limited Maa-Vaishno Net-tech Private Limited Signatureglobal Infrabuild Private Limited Signatureglobal Business Park Private Limited Fantabulous Town Developers Private Limited Signatureglobal Developers Private Limited
b) Entities exercising significant influence over the Holding Company	Sarvpriya Securities Private Limited
c) Relatives of KMPs	
Relative of Director	Pradeep Aggarwal
Relative of Director	Rashmi Aggarwal
Relative of Director	Nidhi Aggarwal
d) Entities under significant influence of KMPs and relatives of KMPs	Signatureglobal Marketing Solutions Private Limited Signatureglobal Securities Private Limited Southern Gurugram Farms Private Limited (formerly known as Signatureglobal Capital Private Limited) Signature Global Foundation Trust

b) Statement of transactions with related parties -

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Borrowings taken		
Signatureglobal (India) Limited	6,064.00	9,264.00
Indeed Finacap Private Limited	2,728.88	-
Borrowings repaid		
Signatureglobal (India) Limited	2,731.95	6,652.53
Indeed Finacap Private Limited	2,791.32	-
Interest expense on borrowings taken		
Signatureglobal (India) Limited	949.09	296.93
Indeed Finacap Private Limited	62.44	-
Loan given		
Indeed Finacap Private Limited	850.00	-
	-	-
Loan received back		
Indeed Finacap Private Limited	850.00	-
Southern Gurugram Farms Private Limited	-	588.74
Interest received on loan given		
Indeed Finacap Private Limited	9.01	-
Southern Gurugram Farms Private Limited	-	24.08
Construction costs		
Signatureglobal (India) Limited	6,179.88	3,341.76
Purchase of materials		
Signatureglobal (India) Limited	46.59	-
Business support services		
Signatureglobal (India) Limited	50.34	34.04
Rent on property, plant and equipment		
Signatureglobal (India) Limited	-	82.00

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Branding and publicity		
Signatureglobal (India) Limited	557.40	200.00
Project management, administration and marketing cost		
Signatureglobal (India) Limited	136.26	46.00
Business support services paid		
Signatureglobal (India) Limited	50.34	34.04
Repair and maintenance expense		
Signatureglobal Securities Private Limited	-	1.88
Reimbursement of expenses		
Signatureglobal (India) Limited	12.96	1.99
Signature Infrabuild Private Limited	1.75	-
JMK Holding Private Limited	0.10	-
Signatureglobal Homes Private Limited	-	0.20
Rent expense		
Signatureglobal Securities Private Limited	-	8.37
Professional charges		
Signatureglobal (India) Limited	0.75	-
Consultancy charges		
Signatureglobal Business Park Private Limited	-	1.10
Bank guarantee commission		
Signature Infrabuild Private Limited	-	7.96
Signatureglobal Developers Private Limited	158.46	-
Corporate guarantee given		
Signatureglobal (India) Limited	2,200.00	1,500.00
Signatureglobal Homes Private Limited	4,000.00	-
Corporate guarantee extinguished		
Signatureglobal (India) Limited	35,038.30	3,339.80
Signatureglobal Homes Private Limited	387.00	-
Sarvpriya Securities Private Limited	3,982.00	18.00
Collaboration income recognised		
Signatureglobal Homes Private Limited	-	1,916.10
Gain on remeasurement of financial assets/liabilities		
Signatureglobal Homes Private Limited	162.00	-
Loss on modification of financial assets		
Signatureglobal Homes Private Limited	75.44	-
Financial asset measured at amortised cost on collaboration		
Signatureglobal Homes Private Limited	356.99	67.19
Brokerage and commission		
Signatureglobal Marketing Solutions Private Limited	15.54	29.28
Donation		
Signatureglobal Foundation Trust	12.86	7.54
Remuneration paid		
Rashmi Aggarwal	-	15.60
Nidhi Aggarwal	-	12.00

c) Statement of balances outstanding -

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Trade payables			
Signatureglobal (India) limited	5,717.01	3,756.79	1,262.81
Signatureglobal Securities Private Limited	-	12.66	65.74
Signatureglobal Marketing Solutions Private Limited	-	25.54	-
Signatureglobal Business park Private Limited	-	1.02	1.35
Signature Infrabuild Private Limited	-	7.96	-
JMK Holdings Private Limited	-	-	0.65
Signatureglobal Developers Private Limited	55.74	-	-
Trade receivables			
Signatureglobal (India) limited	-	1.20	0.46
Signatureglobal Homes Private Limited	-	69.44	-

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Advances given			
Signature Infrabuild Private Limited	1.75	-	-
Signatureglobal (India) limited	5,611.83	1,642.80	-
Unbilled trade receivables			
Signatureglobal Homes Private Limited	1,711.57	1,908.22	-
Security deposit/retention payable			
Signatureglobal Homes Private Limited	-	25.00	25.00
Signatureglobal (India) limited	380.25	234.63	-
Corporate guarantee given			
Signatureglobal (India) Limited	-	-	-
Signatureglobal Homes Private Limited	2,912.70	35,751.00	44,543.00
Sarvpriya Securities Private Limited	3,613.00	-	-
Unsecured loans given			
Southern Gurugram Farms Private Limited	-	-	564.65
Unsecured borrowings (including interest)			
Signatureglobal (India) Limited	7,267.23	3,013.64	105.25
Investments			
Signatureglobal Foundation Trust	0.01	0.01	0.01
Other balance payable			
Signatureglobal Developer Private Limited	-	107.92	-

D. Other notes

1. The Holding Company and fellow subsidiary companies, Fantabulous Town Developers Private Limited and Maa Vaishno Net-Tech Private Limited has provided corporate guarantee against the borrowing facilities taken by the Company. (refer note 18)
2. The Directors and the relatives of Directors disclosed above have provided personal guarantees against the borrowing facilities taken by the Company. (refer note 18)
3. The Company has provided its inventories as security against the borrowing facilities taken by its related parties, Signatureglobal (India) Limited (the Holding company), Signatureglobal Homes Private Limited, Signatureglobal Developers Private Limited (fellow subsidiary company).

(This space has been intentionally left blank.)

Sternal Buildcon Private Limited**Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022***(All amounts are Rs. in lakhs, unless otherwise specified)***38 Capital management**

The Company's capital includes issued share capital and all other distributable reserves. The primary objective of the Company's capital management is to maximise shareholder value and to maintain an optimal capital structure to reduce the cost of capital. The Company has long term borrowings as well as short term borrowings.

Companies Debt equity ratio is:

Particulars	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020
Borrowings including interest accrued	13,033.80	8,166.60	135.54
Trade payables	24,115.32	12,207.42	2,475.85
Other financial liabilities	1,400.07	694.82	41.32
Cash and cash equivalents	(8,837.05)	(3,808.05)	(288.25)
Bank balances other than cash and cash equivalents	(85.70)	(41.47)	(7.30)
Net debts (a)	29,626.44	17,219.32	2,357.16
Total equity (b)	(3,557.31)	(2,232.70)	(1,251.18)
Equity and net debt (c= a + b)	26,069.13	14,986.62	1,105.98
Gearing ratio % (d= a/c)	113.65%	114.90%	213.13%

39 Reconciliation of liabilities arising from financing activities

The changes in the Company's liabilities arising from financing activities can be classified as follows:

Particulars	Current borrowings (excluding current maturities)	Non-current borrowings (including current maturities)
Balance as at 1 April 2020	105.25	30.29
Cash flows:		
- Proceeds	9,264.00	5,200.00
- Repayment	(6,355.61)	(5.32)
Non cash:		
-Processing fee adjustment	-	(76.67)
- Interest expense adjustment	-	4.67
- Others		
Balance as at 31 March 2021	3,013.64	5,152.97
Cash flows:		
- Proceeds	8,792.88	2,800.00
- Repayment	(5,460.83)	(2,110.55)
Non cash:		
-Processing fee adjustment	-	(147.11)
- Interest expense adjustment	-	71.21
- Others		
Balance as at 31 March 2022	6,345.69	5,766.51

40 Employee benefits

Defined contribution plans	31 March 2022	31 March 2021
The company makes contribution towards employee's provident fund and employee's state insurance. The company has recognised following as contribution towards these schemes.	8.52	4.38

Defined benefit plans**Gratuity (unfunded)**

The Company has a defined benefit gratuity plan. Every employee is entitled to gratuity as per the provisions of the Payment of Gratuity Act, 1972. The liability of Gratuity is recognized on the basis of actuarial valuation.

Salary increases	Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the
Discount rate	Reduction in discount rate in subsequent valuations can increase the plan's liability.
Mortality and disability	Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
Withdrawals	Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact plan's liability.

Amounts recognised in the balance sheet:

Particulars	As at 31 March 2021	As at 31 March 2021	As at 1 April 2020
Present value of the obligation	36.29	23.84	12.70
Current liability (amount due within one year)	1.27	0.69	0.23
Non-current liability (amount due over one year)	35.02	23.14	12.47

Loss recognised in other comprehensive income:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Actuarial loss recognised during the year	(1.29)	2.70

Expenses recognised in statement of profit and loss

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Current service cost	10.22	7.61
Interest cost	1.55	0.83
Cost recognised during the year	11.77	8.44

Movement in the liability recognised in the balance sheet is as under:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Present value of defined benefit obligation at the beginning of the year	23.84	12.70
Current service cost	10.22	7.61
Interest cost	1.55	0.83
Actuarial (gain)/loss net		
Actuarial loss on arising from change in financial assumption	6.14	0.83
Actuarial (gain)/loss on arising from experience adjustment	(7.43)	1.87
Benefits paid	0.47	-
Transfer in/out	1.49	
Present value of defined benefit obligation at the end of the year	36.29	23.84

For determination of the liability of the Company the following actuarial assumptions were used:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021	For the year ended 31 March 2020
Discount rate	6.90%	6.50%	6.80%
Salary escalation rate	12.00%	10.00%	10.00%
Retirement age (Years)	60 Years	60 Years	60 Years
Withdrawal rate			
Less than 30 years	15.00% to 11.50%	15.00% to 11.50%	15.00% to 11.50%
From 30 to less 44 years	11.50% to 6.25%	11.50% to 6.25%	11.50% to 6.25%
44 years and above	6.25% to 1.00%	6.25% to 1.00%	6.25% to 1.00%
Weighted average duration of PBO	13 Years	12 Years	11 Years

Mortality rates inclusive of provision for disability -100% of IALM (2012 – 14)

Maturity profile of defined benefit obligation:

Particulars	As at 31 March 2021	As at 31 March 2021	As at 1 April 2020
1 year	1.27	0.69	0.23
2 to 5 year	6.69	4.68	2.06
6 - 10 years	18.06	14.54	3.57
10 years onwards	82.48	37.33	24.56

Sensitivity analysis for gratuity liability:

Particulars	As at 31 March 2021	As at 31 March 2021	As at 1 April 2020
a) Impact of the change in discount rate			
Present value of obligation at the end of the year			
Impact due to increase of 1 %	32.02	21.24	11.31
Impact due to decrease of 1 %	41.44	26.94	14.34
b) Impact of the change in salary increase			
Present value of obligation at the end of the year			
Impact due to increase of 1 %	40.56	26.78	14.27
Impact due to decrease of 1 %	32.24	21.30	11.34

Sensitivities due to mortality and withdrawals are not material. Hence impact of change is not calculated

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement

Compensated absences (unfunded)

The leave obligations cover the Company's liability for sick and earned leaves. The Company does not have an unconditional right to defer settlement for the obligation shown as current provision balance above. However based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months, therefore based on the independent actuarial report, only a certain amount of provision has been presented as current and remaining as non-current. Amount of Rs. 20.37 lakhs for the year ended 31 March 2022 (31 March 2021: Rs. (0.01) lakhs) has been recognised in the statement of profit and loss.

41 Segment information

The Company operates in a single reportable segment i.e. "real estate developer", for the purpose of Ind AS 108 "Operating Segment", is considered to be the only reportable business segment. The Company derives its major revenues from the activities related to real estate construction and its customers are in India only.

42 Contingent liabilities and commitments

Particulars	As at 31 March 2021	As at 31 March 2021
a) Contingent liabilities not acknowledged as debt, includes:		
Corporate guarantees given on behalf of related parties (refer note 37 C)	6,525.70	39,733.00
	6,525.70	40,625.47

Note - For securities given on behalf of related parties, refer note 37 D(3).

b) Contingent liabilities under litigation not acknowledged as debt, includes:

i) Demand for income tax, assessment year 2017-18	16.07	29.94
	16.07	29.94

ii) The Company has certain litigations involving customers and farmers. The management carried out an estimation of the financial impact of such litigations and the management believes that no material liability will devolve on the Company in respect of such litigations.

43 Disclosure under Ind AS 115 - Revenue from contracts with customer

Disclosures with respect to Ind AS 115 are as follows:

a) Disaggregation of revenue

Revenue recognised mainly comprises of set out below is the disaggregation of the Company's revenue from contracts with customers:

Description	For the year ended 31 March 2022	For the year ended 31 March 2021
(A) Operating revenue		
Revenue from sale of real estate properties	26,438.66	-
Revenue from sale of land rights under collaboration	-	1,916.10
Sub-total (A)	26,438.66	1,916.10
(B) Other operating revenue		
Scrap sales	-	32.14
Cancellation charges	211.13	26.44
Sub-total (B)	211.13	58.58
Total revenue under Ind AS 115	26,649.79	1,974.68

b) Contract balances

The following table provides information about contract liabilities from contract with customers:

Particulars	As at 31 March 2021	As at 31 March 2021	As at 1 April 2020
Contract liabilities - Advance from customer	34,600.96	37,983.95	24,396.66

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liability is the entity's obligation to transfer goods or services to a customer for which the entity has received consideration from the customer in advance. Contract assets (unbilled receivables) are transferred to receivables when the rights become unconditional and contract liabilities are recognised as and when the performance obligation is satisfied. There are no contract assets for year ended 31 March 2022 and 31 March 2021.

c) Movement of Contract liabilities

Particulars	As at 31 March 2021	As at 31 March 2021
Amounts included in contract liabilities at the beginning of the year	37,983.95	24,396.66
Amount received during the year	23,055.67	13,587.29
Performance obligations satisfied in current year	(26,438.66)	-
Amounts included in contract liabilities at the end of the year	34,600.96	37,983.95

d) Closing balances of assets recognised from costs incurred to obtain a contract with a customer

Particulars	As at 31 March 2021	As at 31 March 2021	As at 1 April 2020
Closing balances of assets recognised	1,162.63	396.65	251.21
Amortisation recognised during the year	299.02	767.93	-

e) Reconciliation of operating revenue:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Gross revenue	26,495.34	-
Adjustment for:		
Discounts and rebates	56.68	-
Net revenue	26,438.66	-



44 Other statutory information:

A) The Company has not advanced or loaned or invested funds to any person or any entity, including foreign entities (Intermediaries) with the understanding that the intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Company (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

B) The Company has not received any fund from any person or any entity, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by a or on behalf of the Funding Party (Ultimate Beneficiaries); or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

C) The Company does not have any transactions and outstanding balances during the current as well previous year with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

D) The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.

E) The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period.

F) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

G) The Company does not have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

45. The Company is engaged in the business of providing infrastructural facilities as per Section 186(11) read with Schedule VI of the Act. Accordingly, disclosures under Section 186 of the Act, are not applicable to the Company.

46. All loans, guarantees and securities as disclosed in respective notes are provided for business purposes.

47. During the year, Company has incurred loss after tax of Rs. 1,325.90 lakhs (31 March 2021 – Rs. 1,078.82 lakhs), resulting in accumulated losses of Rs. 4,257.31 lakhs (31 March 2021 – Rs. 2,932.70 lakhs) which led to erosion of net worth of the Company as at 31 March 2022. The management has sufficient inventory and believes that sufficient profits in future will be generated through the revenue recognition on sold properties (on completion of conditions). In view of future business outlook, the management is of opinion that it is appropriate to prepare financial statements on a going concern basis.

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48 Financial Ratios

Ratio	Measurement unit	Numerator	Denominator	As at 31 March 2022	As at 31 March 2021	As at 1 April 2020	% Change (2022)	% Change (2021)	Remarks
				Ratio	Ratio	Ratio			
Current ratio	Times	Current assets	Current liabilities	0.97	1.01	0.94	(4.55)	8.51	Refer Note A
Debt-equity ratio	Times	Total debt [Non-current borrowings + current borrowings]	Total equity	(3.40)	(3.66)	(0.11)	(6.91)	3276.53	For FY 2021-22: Refer Note A For FY 2020-21: Refer Note B
Debt service coverage ratio	Times	Earnings before depreciation and amortisation and interest [Profit/loss after tax + depreciation and amortisation expense + finance costs]	Interest expense (including capitalised) + principal repayment (including prepayments)	(0.10)	(0.14)	N.A	(28.54)	N.A	Refer Note B
Return on equity ratio	Percentage	Profit after tax	Average of total equity	0.46	0.62	N.A	(26.05)	N.A	Refer Note C
Inventory turnover ratio	Times	Costs of materials consumed	Average inventories	N.A	N.A	N.A	N.A	N.A	N.A
Trade receivables turnover ratio	Times	Revenue from operations	Average trade receivables	14.27	1.99	N.A	616.46	N.A	Refer Note D
Trade payables turnover ratio	Times	Project expense incurred + other expenses	Average trade payables	1.78	3.47	N.A	(48.63)	N.A	Refer Note E
Net capital turnover ratio	Times	Revenue from operations	Working capital [Current assets - current liabilities]	(12.09)	2.42	N.A	(599.56)	N.A	Refer Note D and E
Net profit ratio	Percentage	Profit after tax	Revenue from operations	(0.05)	(0.55)	N.A	(90.89)	N.A	Refer Note F
Return on capital employed	Percentage	Earnings before depreciation and amortisation, interest and tax = Profit/loss before tax + Depreciation and amortisation expense + finance costs	Capital employed [Total assets - current liabilities + current borrowings]	(0.13)	(0.17)	N.A	(25.77)	N.A	Refer Note G
Return on investment	Percentage	Profit after tax	Equity share capital + instruments entirely equity in nature + securities premium	(1.89)	(1.54)	N.A	22.90	N.A	Refer Note A

Notes:

A. Since the change in ratio is less than 25%, no explanation is required to be furnished.

B. Variance in ratio is primarily attributable to the increase in short term and long term borrowings taken from related parties and banks and financial institutions.

C. Variance in ratio is primarily attributable to the increase in loss due to increase in finance cost and cost of sale (cost recognised as per Ind AS 115).

D. Variance in ratio is due to increase in revenue from sale of land rights under collaborations and real estate projects.

E. Variance in ratio is primarily attributable to the increase in trade payables balance due to construction activities started on recently launched projects, pertaining amount is unpaid at year end.

F. Variance in ratio is primarily attributable to increase in losses in the current year.

G. Variance in ratio is on account of major increase in inventory which lead to increase in capital employed during the current year and also on account of increase in loss in the current year.

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Sternal Buildcon Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022

(All amounts are Rs. in lakhs, unless otherwise specified)

49 Restatement adjustments and transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS. For the year ended upto and including 31 March 2021, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('Previous GAAP').

The accounting policies set out in Note 3 have been applied in preparing these financial statements for the year ended 31 March 2022 including the comparative information for the year ended 31 March 2021 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2020 ('Transition date').

In preparing its Ind AS balance sheet as at 1 April 2020, and in presenting the comparative information for the year ended 31 March 2021, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Previous GAAP as detailed hereunder and accordingly the impact of such transition on the Company's financial position and financial performance is listed hereunder: In preparing these financial statements, the Company has applied the below mentioned exceptions:

A Ind AS optional exemptions

Deemed cost for property, plant and equipment and intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the Group has elected to measure all of its property, plant and equipment and intangible assets at their Previous GAAP carrying value.

B Ind AS mandatory exceptions

Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2020 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP:

Classification and measurement of financial assets and liabilities

Classification of financial asset is required to be made on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Further, if it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS shall be the new gross carrying amount of that financial asset or the new amortised cost of that financial liability at the date of transition to Ind AS.

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Sternal Bulldcon Private Limited

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(All amounts are Rs. in lakhs, unless otherwise specified)

1 Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at 31 March 2021 is as follows:

Particulars	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Non-current assets			
Property, plant and equipment	301.91	-	301.91
Intangible assets	0.04	-	0.04
Financial assets			
Investments	0.01	-	0.01
Other financial assets	407.12	-	407.12
Deferred tax assets (net)	482.63	(120.41)	362.22
Income tax assets (net)	16.06	-	16.06
Total non-current assets	1,207.77	(120.41)	1,087.36
Current assets			
Inventories	18,274.16	26,778.45	45,052.61
Financial assets			
Trade receivables	326.20	1,654.62	1,980.82
Cash and cash equivalents	3,808.05	-	3,808.05
Bank balances other than cash and cash equivalents	41.47	-	41.47
Other financial assets	1,998.07	-	1,998.07
Other current assets	3,580.63	(480.17)	3,100.46
Total current assets	28,028.58	27,952.90	55,981.48
Total assets	29,236.35	27,832.49	57,068.84
Equity			
Equity share capital	700.00	-	700.00
Other equity	365.76	(3,298.46)	(2,932.70)
Total equity	1,065.76	(3,298.46)	(2,232.70)
Non-current liabilities			
Financial liabilities			
Borrowings	4,179.16	(72.01)	4,107.15
Long term provisions	29.01	-	29.01
Total non-current liabilities	4,208.17	(72.01)	4,136.16
Current liabilities			
Financial liabilities			
Borrowings	4,059.45	-	4,059.45
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	15.54	-	15.54
Total outstanding dues of creditors other than micro enterprises and small enterprises	6,797.81	5,394.07	12,191.88
Other financial liabilities	694.82	-	694.82
Other current liabilities	12,393.54	25,808.89	38,202.43
Provisions	1.26	-	1.26
Total current liabilities	23,962.42	31,202.96	55,165.38
Total equity and liabilities	29,236.35	27,832.49	57,068.84

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division II of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

Sternal Buildcon Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(All amounts are Rs. in lakhs, unless otherwise specified)
Reconciliation of the assets and liabilities presented in the balance sheet prepared as per Previous GAAP and as per Ind AS as at 1 April 2020 is as follows:

Particulars	Previous GAAP*	Effect of transition to Ind AS	Ind AS
Non-current assets			
Property, plant and equipment	48.35	-	48.35
Intangible assets	0.04	-	0.04
Investments	0.01	-	0.01
Other financial assets	20.87	-	20.87
Deferred tax assets (net)	482.63	-	482.63
Income tax assets (net)	2.44	-	2.44
Total non-current assets	554.34	-	554.34
Current assets			
Inventories			
Trade Receivable	2,536.01	19,805.09	22,341.10
Cash and cash equivalents	525.69	(523.07)	2.62
Bank balances other than cash and cash equivalents	288.25	-	288.25
Loans	7.30	-	7.30
Other financial assets	564.65	-	564.65
Other current assets	1,634.55	-	1,634.55
Total current assets	817.59	(216.73)	600.86
Total assets	6,374.04	19,065.29	25,439.33
	6,928.38	19,065.29	25,993.67
Equity			
Equity share capital			
Other equity	600.00	-	600.00
Total equity	1,308.74	(3,159.92)	(1,851.18)
	1,908.74	(3,159.92)	(1,251.18)
Non-current liabilities			
Financial liabilities			
Borrowings			
Provisions	24.97	-	24.97
Total non-current liabilities	18.80	-	18.80
	43.77	-	43.77
Current liabilities			
Financial liabilities			
Borrowings			
Trade payables	110.57	-	110.57
Total outstanding dues of micro enterprises and small enterprises	6.87	-	6.87
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,468.98	-	2,468.98
Other financial liabilities	41.32	-	41.32
Other current liabilities	2,322.33	22,225.21	24,547.54
Income tax liabilities	24.98	-	24.98
Provisions	0.82	-	0.82
Total current liabilities	4,975.87	22,225.21	27,201.08
Total equity and liabilities	6,928.38	19,065.29	25,993.67

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division II of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

Sternal Buildcon Private Limited

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(All amounts are Rs. in lakhs, unless otherwise specified)

3 Reconciliation of total comprehensive income presented in the statement of profit and loss prepared as per previous GAAP and as per Ind AS for the year ended 31 March 2021:

Particulars	Previous GAAP*	Effect of transition to Ind AS^	Ind AS
Revenue			
Revenue from operations	3,733.20	(1,758.52)	1,974.68
Other income	126.44	67.19	193.63
Total revenue	3,859.64	(1,691.33)	2,168.31
Expenses			
Cost of sales			
Employee benefits expense	3,127.77	(1,612.15)	1,515.62
Finance costs	259.53	(2.70)	256.83
Depreciation and Amortisation Expenses	12.44	-	12.44
Other expenses	61.47	-	61.47
Total expenses	1,341.40	(61.04)	1,280.36
	4,802.61	(1,675.89)	3,126.72
Profit before tax			
Tax expense	(942.97)	(15.44)	(958.41)
Deferred tax			
Profit for the year	-	120.41	120.41
	(942.97)	(135.85)	(1,078.82)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurements of the defined benefit plans			
Total comprehensive income for the year	-	(2.70)	(2.70)
	(942.97)	(138.55)	(1,081.52)

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division II of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

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Sternal Buildcon Private Limited
Summary of significant accounting policies and other explanatory information for the year ended 31 March 2022
(All amounts are Rs. in lakhs, unless otherwise specified)
D Reconciliations between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

1 Reconciliation of total equity as at 31 March 2021 and 1 April 2020:

Particulars	31 March 2021	1 April 2020
Total equity (shareholder's funds) as per Previous GAAP		
Adjustments:	1,065.76	1,908.74
Adjustment on effective interest rates on borrowings	-	-
Impact on account of change in measurement of revenue from real estate development (net of cost)	(4,037.79)	(3,495.50)
Impact of deferral of Brokerage expense in line with Ind AS 115	396.64	335.58
Revenue recognition on land under collaboration	395.92	-
Financial instruments at amortized cost	67.17	-
Deferred tax on above adjustments	(120.41)	-
Total adjustments	(3,298.47)	(3,159.92)
Total equity as per Ind AS	(2,232.70)	(1,251.18)

2 Reconciliation of total comprehensive income for the year ended 31 March 2021

Particulars	31 March 2021
Profit after tax as per Previous GAAP	
Adjustments:	(942.97)
Adjustment on effective interest rates on borrowings	-
Remeasurement of defined benefit obligations reclassified to other comprehensive income of cost)	2.70
Impact of deferral of brokerage expense in line with Ind AS 115	(542.28)
Revenue recognition on land under collaboration	61.06
Financial instruments at amortized cost	395.91
Deferred tax on above adjustments	67.17
Total adjustments	(120.41)
Profit for the year ended 31 March 2020	(135.86)
Other comprehensive income	(1,078.83)
Remeasurement of defined benefit obligations reclassified to other comprehensive income (net of tax)	(2.70)
Total comprehensive income for the year ended 31 March 2020	(1,081.52)

3 Impact of restatement adjustment on the cash flows statement for the year ended 31 March 2021
 Reconciliation of cash flows for the year ended 31 March 2021

Particulars	Previous GAAP 31 March 2021*	Effect of transition to Ind AS	Ind AS 31 March 2021
Net cash flows used in operating activities	(4,396.52)	(400.90)	(3,995.62)
Net cash flows used in investing activities	(274.31)	(180.42)	(93.90)
Net cash flows from financing activities	8,190.63	581.31	7,609.32
Net decrease in cash and cash equivalents	3,519.80	-	3,519.80
Cash and cash equivalents at the beginning of the year	288.25	-	288.25
Cash and cash equivalents at the end of the year	3,808.05	-	3,808.05

*The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements i.e. basis Division II of Schedule III for the purpose of this note. After reclassification, effect has been given for transition adjustments.

E Notes to first time adoption

i Financial assets and liabilities at amortised cost

Under Indian GAAP, all financial assets and financial liabilities were carried at cost. Under Ind AS, certain financial assets and financial liabilities are subsequently measured at amortised cost which involves the application of effective interest method. In applying the effective interest method, an entity identifies fees that are an integral part of the effective interest rate of a financial instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or financial liability.

ii Revenue from contract with customers

Under previous GAAP, the Group used revenue from real estate projects was recorded on percentage of completion basis in accordance with the 'Guidance note on Accounting for Real Estate Transactions (Revised 2012)', issued by The Institute of Chartered Accountants of India. Accordingly, total sale consideration as per executed agreements to sell for constructed properties is recognised as revenue based on the percentage of actual project costs incurred thereon to total estimated project cost. Under Ind AS, the Group is required to record revenue on completed contract basis i.e. when the Group satisfies its performance obligation by offering possession to the customers and customer makes the payment against the real estate unit purchased by them. Further, the cost associated with obtaining the contracts with customers is also deferred till the time revenue from such units is recorded.

iv Revenue from joint development agreements

Under the previous GAAP, the Group used to record revenue under collaboration agreements at gross value of consideration. Under Ind AS, revenue is measured at the fair value of the consideration receivable and is recognised at the time of the launch of the project.

iv Inventory from joint development agreements

Under previous GAAP, land received under collaboration agreement was recorded at the gross value of consideration payable. Non refundable security deposit was recognized as inventory and adjusted with the gross value of consideration. Under Ind AS, land received under collaboration arrangements is measured at fair value of consideration and is recognised as inventory at the time of the launch of the project. The non-refundable security deposit paid by the Company under the collaboration arrangements is classified as security deposit and presented in the balance sheet under the heading other current assets. This deposit is reclassified to inventory once letter of intent for granting license on said land is received from the authorities and at the time of the launch of the project, such deposit is adjusted with fair value of the consideration.

v Tax impact on adjustments

Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

vi Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit and loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised profit and loss but are shown in the statement of profit and loss as 'other comprehensive income' includes re-measurements of defined benefit plans and their corresponding income tax effects. The concept of other comprehensive income did not exist under previous GAAP.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013


Neeraj Sharma

Partner

Membership No.: 502103



For and on behalf of the Board of Directors of
Sternal Buildcon Private Limited


Lalit Kumar Aggarwal

Director

DIN: 00203664


Ravi Aggarwal

Director

DIN: 00203856


Gaurav Srivastava

Company Secretary

Membership No. A32060

Place: Gurugram

Date: 30 May 2022