

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STERNE INDIA PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Sterne India Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss and Statement of Cash Flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 Accounting Standards prescribed under section 133 of the Act read with Companies (Accounts) Rules, 2014 as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and loss and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 Standalone 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 standalone 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 Standalone Financial Statements and Auditor's Report Thereon

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

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

Responsibilities of Management and Those charged with Governance for Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the



financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. 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 of 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

We give in "Annexure A" a detailed description of Auditor's responsibilities for Audit of the Standalone Financial Statements.

Other Matter

- a. The standalone financial statements of the Company for the year ended March 31, 2021, were audited by another auditor whose report dated October 30, 2021, expressed an unmodified opinion on those statements.
- b. Our appointment as the statutory auditors of the Company was completed after March 31, 2022. Hence, we were unable to observe physical verification of inventory of the Company as at March 31, 2022, to verify the existence thereof. Consequently, we have performed related alternative audit procedures and have obtained sufficient, appropriate audit evidence over the existence and condition of inventory, amounting to Rs. 1,829 Lacs as on March 31, 2022.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

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



- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c. The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- 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, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position. (Refer note 29(a) to the financial statements).
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. (Refer note 29(b) to the financial statements).
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. (Refer note 48 to the financial statements).
 - iv.
 1. The Management has represented that, to the best of it's knowledge and belief, as disclosed in the Note 43(i) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 2. The Management has represented, that, to the best of it's knowledge and belief, other than as disclosed in the Note 43(ii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, 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.



3. Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, and according to the information and explanations provided to us by the Management in this regard nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) as provided under (1) and (2) above, contain any material misstatement.
- v. The Company has neither declared nor paid any dividend during the year.
3. In our opinion, according to information, explanations given to us, the provisions of Section 197 of the Act and the rules thereunder are not applicable to the Company as it is a private company.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Manish P Bathija
Partner
Membership No. 216706
UDIN: 22216706BBAEQF4382



Place: Bengaluru
Date: October 15, 2022

ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF STERNE INDIA PRIVATE LIMITED

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

- Identify and assess the risks of material misstatement of the standalone 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 internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

For M S K A & Associates
Chartered Accountants

ICAI Firm Registration No. 105047W



Manish P Bathija
Partner

Membership No. 216706
UDIN: 22216706BBAEQF4382



Place: Bengaluru
Date: October 15, 2022

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF STERNE INDIA PRIVATE LIMITED FOR THE YEAR ENDED MARCH 31, 2022.

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report]

- 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) All the Property, Plant and Equipment have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us, there are no immovable properties, and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.
- (d) According to the information and explanations given to us, the Company has not revalued its property, plant and Equipment or intangible assets or both during the year. Accordingly, the requirements under paragraph 3(i)(d) of the Order are not applicable to the Company.
- (e) According to the information and explanations given to us, no proceeding has been initiated or pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder. Accordingly, the provisions stated in paragraph 3(i)(e) of the Order are not applicable to the Company.
- ii.
- (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification, coverage & procedure of such verification is reasonable and appropriate. No material discrepancies were noticed on such verification.
- (b) The Company has not been sanctioned any working capital limits during the year. Accordingly, the requirements under paragraph 3(ii)(b) of the Order is not applicable to the Company.
- iii.
- (a) According to the information explanation provided to us, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Hence, the requirements under paragraph 3(iii)(a) and 3(iii) (c) to 3(iii) (f) of the Order are not applicable to the Company.
- (b) The Company made investments during the year. Reporting requirement under paragraph 3(iii) (b) as follows:
- According to the information and explanations given to us and based on the audit procedures performed by us, we are of the opinion that the terms and conditions in relation to investments made are not prejudicial to the interest of the Company.
- iv. According to the information and explanations given to us, the Company has neither, directly or indirectly, granted any loan to any of its directors or to any other person in whom the director is interested, in accordance with the provisions of section 185 of the Act nor made investments through more than two layers of investment companies in accordance with the provisions of section 186 of the Act. Accordingly, provisions stated in paragraph 3(iv) of the Order are not applicable to the Company.



- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under.
- vi. The provisions of sub-section (1) of section 148 of the Act are not applicable to the Company as the Central Government of India has not specified the maintenance of cost records for any of the products of the Company. Accordingly, the provisions stated in paragraph 3 (vi) of the Order are not applicable to the Company.

vii.

- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax duty of custom, duty of excise, value added tax, cess have not generally been regularly deposited by the company with the appropriate authorities though delay in deposit have not been serious.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us and the records of the Company examined by us, there are no dues of income tax, goods and service tax, customs duty, cess and any other statutory dues which have not been deposited on account of any dispute.

- viii. According to the information and explanations given to us, there are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Hence, the provision stated in paragraph 3(viii) of the Order is not applicable to the Company.

ix.

- (a) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings or in payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or other lender.
- (c) In our opinion and according to the information explanation provided to us, no money was raised by way of term loans. Accordingly, the provision stated in paragraph 3(ix)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.
- (e) According to the information explanation given to us and on an overall examination of the standalone financial statements of the Company, we report that the company has not taken any funds from an any entity or person on account of or to meet the obligations of its subsidiaries.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary companies. Hence, reporting under the clause 3(ix)(f) of the order is not applicable to the Company.



- x.
- (a) In our opinion and according to the information explanation given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Hence, the provisions stated in paragraph 3 (x)(a) of the Order are not applicable to the Company.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has made preferential allotment of shares during the year and the requirements of Section 42 and section 62 of the Act have been complied with. The amount raised has been used for the purposes for which they were raised.
- xi.
- (a) Based on our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we report that no material fraud by the Company nor on the Company has been noticed or reported during the course of our audit.
- (b) We have not come across of any instance of material fraud by the Company or on the Company during the course of audit of the standalone financial statement for the year ended March 31, 2022, accordingly the provisions stated in paragraph (xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the Management, there are no whistle-blower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company. Accordingly, the provisions stated in paragraph 3(xii) (a) to (c) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Based on information and explanation provided to us, since the Company is a private company, section 177 of the act is not applicable to it.
- xiv. The Company does not have an internal audit system as required under section 138 of the Act, hence we have not considered internal audit reports.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into non-cash transactions with directors or persons connected with its directors and hence, provisions of section 192 of the Act are not applicable to company.
- xvi.
- (a) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions stated in paragraph 3 (xvi)(a) of the Order are not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without any valid Certificate of Registration from Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(b) of the Order are not applicable to the Company.
- (c) The Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, the reporting under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.
- (d) The Group does not have any CIC as part of its group. Hence the provisions stated in paragraph 3 (xvi) (d) of the order are not applicable to the company.



- xvii. Based on the overall review of standalone financial statements, the Company has incurred cash losses in the current financial year and in the immediately preceding financial year. The details of the same are as follows:

(Rs in lacs)

Particulars	March 31, 2022 (Current year)	March 31, 2021 (Previous Year)
Cash losses	6,294	1,803

- xviii. There has been resignation of the statutory auditors during the year, there were 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 realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- xx. According to the information and explanations given to us and based on our verification, the provisions of section 135 of the Act are not applicable to the Company. Hence, reporting under paragraph (xx)(a) to (b) of the Order is not applicable to the Company.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W



Manish P Bathija
Partner
Membership No. 216706
UDIN: 22216706BBAEQF4382



Place: Bengaluru
Date: October 15, 2022

ANNEXURE C TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF STERNE INDIA PRIVATE LIMITED.

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the Members of Sterne India Private Limited on the Financial Statements for the year ended March 31, 2022].

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

Opinion

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

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2022, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI) (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. 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 standalone financial statements was established and maintained and if such controls operated effectively in all material respects.

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



including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls With reference to Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls With reference to Standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For M S K A & Associates
Chartered Accountants
ICAI Firm Registration No. 105047W


Manish P Bathija
Partner
Membership No. 216706
UDIN: 22216706BBAEQF4382



Place: Bengaluru
Date: October 15, 2022

STERNE INDIA PRIVATE LIMITED

STANDALONE BALANCE SHEET AS AT MARCH 31, 2022

(All amounts are in lakhs unless otherwise stated)

		As at March 31, 2022	As at March 31, 2021
EQUITY AND LIABILITIES	Note		
Shareholders' funds			
Share capital	3	7	7
Reserves and surplus	4	(1,326)	4,011
		<u>(1,319)</u>	<u>4,018</u>
Non-current liabilities			
Long term borrowings	5	4,876	739
Deferred tax liability		-	0
Long-term provisions	6	80	-
		<u>4,956</u>	<u>739</u>
Current liabilities			
Short term borrowings	7	3,267	267
Trade payables	8	-	-
Outstanding dues of micro enterprises and small enterprises		-	-
Outstanding dues of creditors other than micro enterprises and small enterprises		4,072	1,894
Other current liabilities	9	1,401	66
Short-term provisions	6	0	-
		<u>8,740</u>	<u>2,227</u>
		<u>12,377</u>	<u>6,984</u>
ASSETS			
Non-current assets			
Property, plant and equipment and intangible assets	10		
Property, plant and equipment		120	27
Intangible assets		475	5
Non-current investments	11	18	-
Other non-current assets	12	75	45
		<u>688</u>	<u>77</u>
Current assets			
Current investments	13	-	135
Inventories	14	1,829	734
Trade receivables	15	6,988	3,360
Cash and cash equivalents	16	793	1,398
Short-term loans and advances	17	2,000	1,027
Other current assets	18	79	33
		<u>11,689</u>	<u>6,907</u>
		<u>12,377</u>	<u>6,984</u>

Significant accounting policies

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

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W

Manish P Bathija

Manish P Bathija

Partner

Membership No.: 216706

Place: 15th October, 2022

Date: Bengaluru



For and on behalf of the Board of Directors of
STERNE INDIA PRIVATE LIMITED
CIN:U74999KA2016PTC097331

Khushnud Khan

Khushnud Khan

Director

DIN:05104685

Place: 15th October, 2022

Date: Bengaluru

Rishiraj Singh Rathore

Rishiraj Singh Rathore

Director

DIN:07616101

Place: 15th October, 2022

Date: Bengaluru



STERNE INDIA PRIVATE LIMITED
STATEMENT OF STANDALONE PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in lakhs unless otherwise stated)

	Note	March 31, 2022	March 31, 2021
INCOME			
Revenue from operations	19	1,11,745	25,873
Other income	20	78	30
		1,11,823	25,903
EXPENSES			
Purchases of stock-in-trade	21	1,10,039	25,787
Changes in inventories of stock-in-trade	22	(1,094)	(585)
Employee benefits expense	23	2,805	1,262
Cost of sub-contracts/technical fees		897	-
Finance cost	24	495	77
Depreciation and amortization	10	22	6
Other expenses	25	4,931	1,153
		1,18,095	27,700
Loss before tax		(6,272)	(1,797)
Tax expense		-	-
- Current tax		-	-
- Deferred tax liability written back		(0)	0
Loss for the year		(6,272)	(1,797)
Earning per share (Nominal value per share Rs. 10/-)			
Basic EPS		(53,870)	(16,451)
Diluted EPS		(53,870)	(16,451)

Significant accounting policies

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The notes referred to above form an integral part of the standalone financial statements 3-52

As per our report of even date

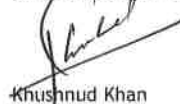
For M S K A & Associates
Chartered Accountants
Firm Registration Number: 105047W


Manish P Bathija
Partner

Membership No.: 216706
Place: 15th October, 2022
Date: Bengaluru



For and on behalf of the Board of Directors of
STERNE INDIA PRIVATE LIMITED
CIN: U74999KA2016PTC097331


Khushnood Khan
Director

DIN: 05104685
Place: 15th October, 2022
Date: Bengaluru


Rishiraj Singh Rathore
Director

DIN: 07616101
Place: 15th October, 2022
Date: Bengaluru



STERNE INDIA PRIVATE LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in lakhs unless otherwise stated)

	March 31, 2022	March 31, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before Tax	(6,272)	(1,797)
Adjustments:		
Depreciation and amortization	22	6
Employee Stock Option Plan (Refer Note 36)	200	-
Interest from term deposits	(20)	(30)
Gain on sale of mutual funds	(20)	(9)
Operating cash flows before working capital changes	(6,090)	(1,830)
Changes in working capital		
Decrease / (increase) in inventories	(1,094)	(585)
Decrease / (increase) in trade receivables	(3,608)	(1,806)
Decrease / (increase) in other non-current assets	(30)	(29)
Decrease / (increase) in short term loans & advances	(973)	(454)
Increase / (decrease) in trade payables	2,178	1,565
Increase / (decrease) in other current liabilities	1,336	2
Increase / (decrease) in other provisions	80	-
Decrease / (increase) in other current assets	(48)	(934)
Net cash used in operating activities (A)	(8,249)	(4,071)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest from term deposits	20	30
Capital expenditure on Property, Plant and Equipment and Intangible assets	(585)	(31)
Income from mutual funds	20	9
Investment in subsidiaries	(18)	(334)
Proceeds from sale of current investments	335	-
Net cash used in investing activities (B)	(228)	(326)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of equity shares	735	442
Proceeds from issue of preference shares	0	5,012
Proceeds from long-term borrowings	6,898	462
Repayment of long-term borrowings	(365)	-
Proceeds from short-term borrowings	936	-
Repayment of short-term borrowings	(332)	(128)
Net cash flow from financing activities (C)	7,872	5,758
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	(605)	1,362
Cash and cash equivalents at the beginning of the year	1,398	36
Cash and cash equivalents at the end of the year	793	1,398
Cash and cash equivalents as at March 31, 2022		
Cash on Hand	1	13
Balance with Bank:		
-In current accounts	486	368
-In deposit accounts	306	1,017
	793	1,398

Contd.



STERNE INDIA PRIVATE LIMITED
STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in lakhs unless otherwise stated)

Notes:

1. The above Cash flow statement has been prepared under the indirect method set out in Accounting Standard-3, "Cash Flow Statement" notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014.
2. Cash comprises of cash on hand, balances in current accounts and deposits with banks (less than 3 months maturity). Cash equivalents are short term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of change in value.

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


As per our report of even date.


For **MSKA & Associates**
Chartered Accountants
Firm Registration Number: 105047W


Manish P Bathija
Partner
Membership No.: 216706
Place: 15th October, 2022
Date: Bengaluru



For and on behalf of the Board of Directors
STERNE INDIA PRIVATE LIMITED
CIN:U74999KA2016PTC097331


Khushnud Khan
Director
DIN: 05104685
Place: 15th October, 2022
Date: Bengaluru


Rishi Raj Singh Rathore
Director
DIN: 07616101
Place: 15th October, 2022
Date: Bengaluru



STERNE INDIA PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

1 General information:

Sterne India Private Limited (the Company), was incorporated on October 24, 2016 under the provisions of the Companies Act, 2013. The Company provides business to business (B2B) commerce platform, powering retail stores with technology. The technology platform enables partner stores to buy consumer electronics at best price, and equips them to offer bigger range of products.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a Basis for preparation of standalone financial statements:

These standalone financial statements are prepared in accordance with the Generally Accepted Accounting Principles in India (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, and with the relevant provisions of the Companies Act 2013. Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use.

All amounts disclosed in standalone financial statements and notes have been rounded off to the nearest lakhs as per requirement of Schedule III of the Act, unless otherwise stated and where the amount is less than a lakh, that has been represented by "0".

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle, and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

b Use of estimates:

The preparation of standalone financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of the reporting period. Although, these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c Property, Plant and Equipment

Tangible assets

Tangible assets, capital work in progress are stated at cost, less accumulated depreciation, revaluation and impairment losses, if any. Cost comprises the purchase price, borrowing costs, if capitalization criteria are met and any cost attributable to bringing the assets to its working condition for its intended use which includes taxes, freight, and installation and allocated incidental expenditure during construction/ acquisition and exclusive Input tax credit (IGST/CGST and SGST) or other tax credit available to the Company.

When parts of an item of tangible assets have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent expenditure relating to tangible assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

An item of Property, Plant and Equipment is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising on derecognition is recognized in the Standalone Statement of Profit and Loss.

Intangible assets

Acquired Intangible Assets

Intangible assets that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.



STERNE INDIA PRIVATE LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022****c Property, Plant and Equipment (contd.)****Internally generated intangible assets**

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in statement profit and loss in the period in which it is incurred.

Subsequent expenditure relating to intangible assets is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Standalone Statement of Profit and Loss.

d Depreciation on property, plant and equipment

Based on management's evaluation, useful life prescribed in Schedule II of the Companies Act, 2013 represent actual useful life of property, plant and equipment. The Company uses written down value method and has used following useful lives to provide depreciation of different class of its property, plant and equipment.

Particular	Year ended March 31, 2022 (Useful life in years)	Year ended March 31, 2021 (Useful life in years)
Computer	3	3
Furniture & Fixtures	10	10
Office Equipment	3-5	3-5

The depreciation charge for each year is recognized in the Standalone Statement of Profit and Loss, unless it is included in the carrying amount of any other asset.

The Company has adopted Schedule II to the Companies Act, 2013 which requires identification and determination of separate useful life for each major component of the property, plant and equipment, if they have useful life that is materially different from that of the remaining asset.

Leasehold improvements are depreciated over their estimated useful life, or the remaining period of lease from the date of capitalization, whichever is shorter.

Depreciation on addition to tangible assets is provided on pro-rata basis from the date the assets are ready for intended use. Depreciation on sale/discard from tangible assets is provided for upto the date of sale, deduction or discard of tangible assets as the case may be.

The useful life, residual value and the depreciation method are reviewed atleast at each year end. If the expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate.

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STERNE INDIA PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

e Impairment of Assets:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets' net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation/amortization is provided on the revised carrying amount of the asset over its remaining useful

f Borrowing Costs:

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

Borrowing costs on working capital and long term loans are charged to the Statement of Profit and Loss in the year incurred.

g Inventories:

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out formula, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling expenses.

h Revenue Recognition

Sale of products :

Sales are recognised when the significant risks and rewards of ownership in the goods are transferred to the buyer, which coincides with the dispatch of goods and are recognised net of trade discounts, rebates and goods and services tax (GST).

Revenue from services

Revenue from services is recognized pro-rata over the period of the contract as and when services are rendered and the collectability is reasonably assured. The revenue is recognized net of Goods and service tax.

Other Income:

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

'Unbilled receivables' included in other current assets represent cost and earnings in excess of billings as at the balance sheet date.

'Unearned revenues' included in other current liabilities represent billing in excess of revenue recognized.

i Cash flow statement:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

j Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with banks, other short term highly liquid investments with original maturities of three months or less.

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STERNE INDIA PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

k Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

l Lease

Finance leases, which effectively transfers to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset assessed by the management. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset.

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

m Employee Benefits

i. Defined contribution Plans:

The Company makes specified monthly contribution towards employee provident fund to Government administered Provident Fund Scheme which is a defined contribution plan and the same is charged as an expense in the Statement of profit and loss during the period in which employee renders the related service.

ii. Compensated Absences:

The Company currently does not provide employees with carry forward compensated absence benefits.

iii. Gratuity:

The Company provides for retirement benefits in the form of Gratuity. Benefits payable to eligible employees of the company with respect to gratuity, a defined benefit plan is accounted for on the basis of an actuarial valuation as at the Balance Sheet date. In accordance with the Payment of Gratuity Act, 1972, the plan provides for lump sum payments to vested employees on retirement, death while in service or on termination of employment an amount equivalent to 15 days basic salary for each completed year of service. Vesting occurs upon completion of five years of service. The present value of such obligation is determined by the projected unit credit method and adjusted for past service cost and fair value of plan assets as at the balance sheet date through which the obligations are to be settled. The resultant actuarial gain or loss on change in present value of the defined benefit obligation or change in return of the plan assets is recognized as an income or expense in the Statement of Profit and Loss.

iv. Termination Benefits

Termination benefits in the nature of voluntary retirement benefits are recognised in the Statement of Profit and Loss as and when incurred.



STERNE INDIA PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

n Taxation:

Tax expense for the period comprises of current tax, deferred tax and Minimum alternate tax credit.

Provision for current tax is made on the basis of estimated taxable income for the current accounting year in accordance with the Income-tax Act, 1961.

Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts, and there is an intention to settle the asset and the liability on a net basis.

The deferred tax for timing differences between the book and tax profits for the year is accounted for, using the tax rates and laws that have been substantively enacted as of the reporting date.

Deferred tax charge or credit reflects the tax effects of timing differences between accounting income and taxable income for the period. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and are written-down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

At each reporting date, the Company reassesses the unrecognized deferred tax assets, if any.

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company 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 company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

o Foreign Currency Transactions

Initial recognition:

Foreign currency transactions are recorded in the reporting currency by applying the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent recognition:

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when such values were determined.

Exchange differences:

Exchange differences arising on the settlement of monetary items or on reporting the Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they occur.

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STERNE INDIA PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

p Contingent Liability, Provisions and Contingent Asset

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation.

The Company records a provision for decommissioning, restoration and similar liabilities that are recognized as cost of property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

q Segment Reporting

The disclosures as required under Accounting Standard 17 on segment reporting have not been provided as the Company deals in only one business and geographical segment.

r Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period.

The weighted average numbers of equity shares are adjusted for events such as bonus issue, bonus element in the rights issue, share split and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without corresponding change in resources.

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

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STERNE INDIA PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in lakhs unless otherwise stated)

3 SHARE CAPITAL

	March 31, 2022	March 31, 2021
Authorised		
40,000 (Previous Year: 40,000) equity shares of par value of Rs. 10 each	4	4
10,000 (Previous Year: 10,000) CCPS of Rs. 10 each	1	1
6,000 (Previous Year: 6,000) CCPS of Rs. 100 each	6	6
	11	11
Issued		
11,744 (Previous year: 11,501) equity shares of par value of Rs. 10 each	1	1
5,544 (Previous year: 5,544) CCPS of Rs. 10 each	1	1
5,188 (Previous year: 5,188) CCPS of Rs. 100 each	5	5
Subscribed and fully paid-up		
11,744 (Previous year: 11,501) equity shares of par value of Rs. 10 each	1	1
5,544 (Previous year: 5,544) CCPS of Rs. 10 each	1	1
5,058 (Previous year: 5,058) CCPS of Rs. 100 each	5	5
Subscribed but not fully paid-up		
316 (Previous year: 130) CCPS of Rs. 100 each of which is partly paid by Rs. 1	0	0
	7	7

a Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

i Reconciliation of share capital (Equity)

	March 31, 2022		March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	11,501	1	10,283	1
Add: Issued during the year	243	0	21	0
Add: Conversion of CCPS	-	-	1,197	0
	11,744	1	11,501	1

ii Reconciliation of CCPS (Rs.10 each)

	As at March 31, 2022		As at March 31, 2021	
	Number of shares	Amount	Number of shares	Amount
Balance at the beginning of the year	5,544	1	5,588	1
Add: Issued during the year	-	-	-	-
Less: CCPS Converted into equity shares	-	-	(44)	(0)
	5,544	1	5,544	1

iii Reconciliation of CCPS (Rs. 100 each)

Balance at the beginning of the year	5,188	5	-	-
Add: Issued during the year fully paid up	-	-	4,854	5
Add: Issued during the year partly paid up	186	0	130	0
Add: Debentures Converted into CCPS	-	-	204	0
	5,374	5	5,188	5



STERNE INDIA PRIVATE LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All amounts are in lakhs unless otherwise stated)

b Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c Terms/rights attached to CCPS

- 1 The Company has issued two class of CCPS having a face value of Rs.10 each and Rs.100 each. These shares carry a dividend at the rate of 0.1 % per annum on cumulative basis.
- 2 The CCPS (Rs.100 each) preferential dividend is cumulative and shall accrue from year to year whether or not paid, and accrued dividends shall be paid in full. Each Series A CCPS shall entitle the holder to the number of votes equal to the number of whole or fractional equity shares into which such Series A CCPS could then be converted.
- 3 In case of winding up of the Company, the holders of CCPS will carry a preferential right over holders of equity shares as regards dividends and repayment of capital at issue price for the shares which have not been converted into the equity shares, till the date of winding up. However, on conversion they will rank pari-passu with the equity shares.
- 4 CCPS will be compulsorily converted into equity shares of Rs. 10 each as per the conversion ratio arrived at on the basis of conversion price [earlier of closing of initial public offer (if any) or 19/20 years from the date of allotment of such CCPS]. However, the holder shall have option to convert the said CCPS into equity shares at any time after the expiry four years or any time from the date of allotment, by giving notice to the Board of Directors of the Company, as per the conversion ratio arrived on the basis of market price.
- 5 CCPS (Rs. 100 each) shall be issued to the Subscriber at the payment of INR 1/- (Indian Rupee One only) per Series A CCPS. The rights exercised by the holder shall be in accordance with Law i.e. exercisable to the extent of amount paid up.

d The Company does not have any holding or ultimate holding company as at March 31, 2022 and March 31, 2021.

e Details of Shares held by Promoters at the end of the year

	March 31, 2022			March 31, 2021		
	Number of shares	% of Total Shares	% change during the	Number of shares	% of Total Shares	% change during the year
Khushnud Khan	5,105	43.47%	-0.92%	5,105	44.39%	-
Rishiraj Singh Rathore	5,061	43.09%	-0.91%	5,061	44.00%	-
	10,166	86.56%	-1.83%	10,166	88.39%	-

f Particulars of shareholders holding more than 5 percent of equity shares:

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% holding	Number of shares	% holding
Khushnud Khan	5,105	43.47%	5,105	44.39%
Rishiraj Singh Rathore	5,061	43.09%	5,061	44.00%
3 Lines Rocket Fund L.P	1,153	9.82%	1,153	10.03%
	11,319	96.38%	11,319	98.42%

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STERNE INDIA PRIVATE LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All amounts are in lakhs unless otherwise stated)

g Particulars of shareholders holding more than 5 percent of CCPS**Face Value of Rs.10/- each**

Omphalos Ventures India LLP	2,737	49.37%	2,737	49.37%
Srinivas rai Anumotu	287	5.18%	287	5.18%
Jabbar Internet Group FZ LLC	-	-	718	12.95%
Jabbar Internet Group Ltd	718	12.95%	-	-
Ajay Prabhu	431	7.77%	431	7.77%
Maresh Swaminathan	287	5.18%	287	5.18%
	4,460	80.45%	4,460	80.45%

h Particulars of shareholders holding more than 5 percent of preference shares - Series A**Face Value of Rs.100/- each**

Vistra (ITCL) India Limited as trustee of Indusage Global Technology Venture Fund- II (INDIA)	1,876	34.91%	1,876	36.16%
3Lines Arzooo SPV, LLC	593	11.03%	593	11.43%
Jabbar Internet Group LTD	579	10.77%	579	11.16%
Enam Investment & Services Pvt Ltd	374	6.96%	374	7.21%
3 Lines Rocket Fund L.P	346	6.44%	346	6.67%
	3,768	70.12%	3,768	72.63%

Note: During the year, the Company has allotted 186 Partly Paid Preference shares of "Compulsorily Convertible Preference Shares, having face value of Rs. 100/-. The Company has received part amount of the allotment of Re. 1/- on per preference share.

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

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STERNE INDIA PRIVATE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in lakhs unless otherwise stated)

4 RESERVES AND SURPLUS

	March 31, 2022	March 31, 2021
Securities Premium		
Opening balance	6,321	902
Add: Premium received		
- on issue of equity shares	735	412
- on issue of preference shares	-	5,007
	7,056	6,321
ESOP Reserve		
Opening balance	-	-
Add: Cost recognised during the year	200	-
Less: Transferred to general reserve	-	-
Closing balance	200	-
Surplus/(Deficit) in the Statement of Profit and Loss		
At the commencement of the year	(2,310)	(514)
Add: Loss for the year	(6,272)	(1,796)
less: Dividend on preference shares	0	(0)
	(8,582)	(2,310)
	(1,326)	4,011

5 LONG-TERM BORROWINGS

	March 31, 2022	March 31, 2021
Unsecured		
Compulsorily convertible debentures	2,903	-
Non-convertible debentures	1,973	733
Loan from related party	-	6
	4,876	739

Terms and conditions
a Compulsorily Convertible Debentures (CCD)

- i The debentures are unsecured and compulsorily convertible into CCPS or Preference shares or equity shares within a period of 5 years from date of issue or before, at the option of Company, and bear a simple interest at a rate of 20% per year.
- ii The CCDs will be converted to equity/ CCPS as per the below plan when "Future Formal Round Investment" occurs in the Company.
 - a. 10% discount on pre-money valuation if the "Future Formal Round Investment" happens within 3 months of date of investment.
 - b. 15% discount on pre-money valuation if the "Future Formal Round Investment" happens after 3 months and before 6 months of date of investment.
 - c. 20% discount on pre-money valuation if the "Future Formal Round Investment" happens after 6 months of date of investment.

b Secured, Redeemable, Non-convertible Debentures

- i The Series A debentures having a face value of 10 lakhs are unlisted, secured, redeemable, non convertible debentures and are to repaid within 36 months and bears a simple interest at a rate of 14.50% per year.
- ii The Principal Amount of the Series A Debentures shall, subject to the provisions of Annexure 6 of the Securities Subscription Agreement dated February 09, 2021 hereof, be repaid by the Company tentatively in accordance with the Annexure 10 of the Securities Subscription Agreement dated February 09, 2021. Exact redemption schedule will be mutually agreed at the time of each closing.



STERNE INDIA PRIVATE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in lakhs unless otherwise stated)

- iii The Series A Debentures shall be secured by the Security in the manner prescribed under the Agreement. The specific terms and conditions of the Security Interest created on the Hypothecated Properties in favor of the Debenture Trustee are set forth in the Security Documents.
- iv Other terms and conditions are as per the Securities Subscription Agreement dated February 09, 2021.

6 PROVISIONS

	Long term		Short term	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Provision for gratuity (Refer Note 37)	80	-	0	-
	<u>80</u>	<u>-</u>	<u>0</u>	<u>-</u>

7 SHORT TERM BORROWINGS

	March 31, 2022	March 31, 2021
Unsecured Loan		
<u>Current maturities of long-term borrowings</u>		
Non-convertible debentures	2,663	267
Trade credit loan	604	-
	<u>3,267</u>	<u>267</u>

Note: During the year, the Company has availed short term trade credit facility from Non Banking financial company and financial institution in the form of vendor financing. The lender pays to the vendors directly againsts the invoices raised on the Company. However, the Company retires the said debt within the agreed duration along with the interest there on as per the agreed terms.

8 TRADE PAYABLES

	March 31, 2022	March 31, 2021
Total outstanding dues to micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	4,072	1,894
	<u>4,072</u>	<u>1,894</u>

(Refer Note 26)

Based on the information available with the Company, there are no outstanding dues and payments made to any supplier of goods and services beyond the specified period under Micro, Small and Medium Enterprises Development Act, 2006 [MSMED Act]. There is no interest payable or paid to any suppliers under the said Act.

9 OTHER CURRENT LIABILITIES

	March 31, 2022	March 31, 2021
Advance received from Customers	1,230	-
Interest accrued and due on borrowings	23	-
Dues towards statutory remittances		
- Withholding taxes	78	18
- Other Dues	7	7
Employee payables	6	3
Other payables	57	11
Reimbursement Payable	-	27
	<u>1,401</u>	<u>66</u>



STERNE INDIA PRIVATE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
 (All amounts are in lakhs unless otherwise stated)

10 PROPERTY, PLANT AND EQUIPMENT and INTANGIBLE ASSETS
TANGIBLE ASSETS

	Gross block (at cost)			Accumulated depreciation			Net block
	As at April 1, 2021	Additions	Disposals	As at April 1, 2021	For the year	Disposals	As at March 31, 2022
Owned Assets							
Furniture and fixtures	1	4	-	1	0	-	4
Computer equipments	25	101	-	4	18	-	104
Office equipments	8	8	-	2	2	-	12
	34	113	-	7	20	-	120

	Gross block (at cost)			Accumulated depreciation			Net block
	As at April 1, 2020	Additions	Disposals	As at April 1, 2020	For the year	Disposals	As at March 31, 2021
Owned Assets							
Furniture and fixtures	1	-	-	0	0	-	-
Computer equipments	3	22	-	1	3	-	21
Office equipments	1	7	-	0	2	-	6
	5	29	-	2	5	-	27

INTANGIBLE ASSETS

	Gross block (at cost)			Accumulated depreciation			Net block
	As at April 1, 2021	Additions	Disposals	As at April 1, 2021	For the year	Disposals	As at March 31, 2022
Owned Assets							
Technology Platform & Application (Refer note: 47)	11	472	-	6	2	-	475
	11	472	-	6	2	-	475

	Gross block (at cost)			Accumulated depreciation			Net block
	As at April 1, 2020	Additions	Disposals	As at April 1, 2020	For the year	Disposals	As at March 31, 2021
Owned Assets							
Technology Platform & Application	9	2	-	5	1	-	5
	9	2	-	5	1	-	5



STERNE INDIA PRIVATE LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All amounts are in lakhs unless otherwise stated)

11 NON-CURRENT INVESTMENTS

	March 31, 2022	March 31, 2021
Investments in Unquoted Equity Instruments of Wholly Owned Subsidiaries:		
Non Current Investments		
150,000 equity shares (March 31, 2021: Nil) of Rs. 10 each fully paid up held in Sharkfin Tech Private Limited	15	-
10,000 equity shares (March 31, 2021: Nil) of Rs. 10 each fully paid up held in Falcon Internet Private Limited	1	-
10,000 equity shares (March 31, 2021: Nil) of Rs. 10 each fully paid up held in Fastmile Express Private Limited	1	-
10,000 equity shares (March 31, 2021: Nil) of Rs. 10 each fully paid up held in Gamma Internet Private Limited	1	-
	<u>18</u>	<u>-</u>

12 OTHER NON-CURRENT ASSETS

	March 31, 2022	March 31, 2021
Security Deposit	75	45
	<u>75</u>	<u>45</u>

13 CURRENT INVESTMENTS

	March 31, 2022	March 31, 2021
ICICI Liquid Fund - Nil (March 31, 2021: 18,388 units of NAV of Rs. 295 each average)	-	55
IDFC Ultra Mutual Fund - Nil (March 31, 2021: 2,283,462 units of NAV of Rs. 11 each average)	-	251
HDFC Mutual Fund - Nil (March 31, 2021: 634 Units of NAV of Rs. 4,348 each)	-	28
DSP Mutual Fund - Nil (March 31, 2021: 24 Units of NAV of Rs. 2,908 each)	-	1
	<u>-</u>	<u>335</u>

14 INVENTORIES

	March 31, 2022	March 31, 2021
Stock-in-trade [Include Goods-in transit of Rs. 934 (previous year Rs. Nil)]	1,829	734
	<u>1,829</u>	<u>734</u>

Note: The Company trades in only one category of goods, i.e electronic items.

15 TRADE RECEIVABLES

	March 31, 2022	March 31, 2021
Unsecured - considered good	7,749	3,380
Less: Provision for doubtful debts	(761)	-
	<u>6,988</u>	<u>3,380</u>

(Refer Note 27)



STERNE INDIA PRIVATE LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All amounts are in lakhs unless otherwise stated)

16 CASH AND CASH EQUIVALENTS

	March 31, 2022	March 31, 2021
Cash on hand	1	13
Balance with banks		
- on current accounts	486	368
- Deposits with original maturity of less than three months	306	1,017
	<u>793</u>	<u>1,398</u>

17 SHORT-TERM LOANS AND ADVANCES

	March 31, 2022	March 31, 2021
(Unsecured, considered good)		
Advances to suppliers	629	681
Prepaid expenses	15	6
Balance with government authorities	1,356	340
	<u>2,000</u>	<u>1,027</u>

18 OTHER CURRENT ASSETS

	March 31, 2022	March 31, 2021
Other receivables (including related parties)	79	33
	<u>79</u>	<u>33</u>

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STERNE INDIA PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in lakhs unless otherwise stated)

19 REVENUE FROM OPERATIONS

	March 31, 2022	March 31, 2021
Traded goods	1,11,490	25,745
Other operating revenue	255	128
	1,11,745	25,873

Note: The Company trades in only one category of goods, i.e electronic items.

20 OTHER INCOME

	March 31, 2022	March 31, 2021
Interest from term deposits	20	21
Gain on sale of mutual funds	20	9
Creditors written back	37	-
Miscellaneous income	1	0
	78	30

21 PURCHASES OF STOCK-IN-TRADE

	March 31, 2022	March 31, 2021
Purchases	1,10,039	25,787
	1,10,039	25,787

22 CHANGES IN INVENTORIES OF STOCK-IN-TRADE

	March 31, 2022	March 31, 2021
Stock-in-trade		
Inventories at the beginning of the year	735	150
(Less): Inventories at the end of the year	(1,829)	(735)
	(1,094)	(585)

23 EMPLOYEE BENEFITS EXPENSE

	March 31, 2022	March 31, 2021
Salaries, wages and bonus	2,380	1,208
Contribution to provident and other funds	47	25
Gratuity (refer note 37)	80	-
Employee stock option plan (refer note 36)	200	-
Staff welfare expenses	98	29
	2,805	1,262

24 FINANCE COST

	March 31, 2022	March 31, 2021
Interest expenses	485	73
Bank charges	10	4
	495	77



STERNE INDIA PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in lakhs unless otherwise stated)

25 OTHER EXPENSES

	March 31, 2022	March 31, 2021
Rent and maintenance charges	332	104
Freight outward	2,299	529
Legal and professional charges	125	135
Marketing and business promotional	498	49
Communication expenses	17	6
Payment gateway charges	96	25
Traveling and conveyance	142	42
Repairs and maintenance - others	16	3
Office maintenance	32	32
Equipment charges	103	42
Recruitment charges	184	53
Insurance expenses	26	3
Auditors remuneration (refer note below)	33	6
Provision for doubtful debts	761	-
Software & technology expenses	192	9
Rates and taxes	6	99
Processing fees	52	6
Miscellaneous expenses	17	10
	<u>4,931</u>	<u>1,153</u>

Note: The following is the break-up of auditors remuneration (exclusive of goods and service tax)

Payment to auditor

Statutory fees (including consolidation)	30	5
Tax audit fees	3	1
Other services	-	0
	<u>33</u>	<u>6</u>

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STERNE INDIA PRIVATE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
 (All amounts are in lakhs unless otherwise stated)

26 TRADE PAYABLES - AGEING

Ageing schedule

As at March 2022

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1	1-2 years	2-3 years	More than 3	
			year			years	
(i) MSME	-	-	-	-	-	-	-
(ii) Disputed dues - MSME	-	-	-	-	-	-	-
(iii) Others	319	-	3,675	78	-	-	4,072
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	319	-	3,675	78	-	-	4,072

As at March 2021

Particulars	Outstanding for following periods from due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Disputed dues - MSME	-	-	-	-	-	-	-
(iii) Others	6	-	1,888	-	-	-	1,894
(iv) Disputed dues - Others	-	-	-	-	-	-	-
Total	6	-	1,888	-	-	-	1,894

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STERNE INDIA PRIVATE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
 (All amounts are in lakhs unless otherwise stated)

27 TRADE RECEIVABLES - AGEING

March 31, 2022 Particulars	Current				
	Unbilled Not Due	Less than 6 months	6 months - 1 year	1-2 years	More than 3 years
(i) Undisputed Trade receivables - considered good	-	6,627	327	795	-
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-
Less: Provision for doubtful receivable (Disputed + Undisputed)	-	-	-	(761)	-
Total	-	6,627	327	34	-

March 31, 2021 Particulars	Current				
	Unbilled Not Due	Less than 6 months	6 months - 1 year	1-2 years	More than 3 years
(i) Undisputed Trade receivables - considered good	-	2,503	580	297	-
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-
Less: Provision for doubtful receivable (Disputed + Undisputed)	-	-	-	-	-
Total	-	2,503	580	297	-

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STERNE INDIA PRIVATE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
 (All amounts are in lakhs unless otherwise stated)

28. RATIOS

S No.	Ratio	Particulars		March 31, 2022		March 31, 2021		Ratio as on March 31, 2022	Ratio as on March 31, 2021	Variation	Reason (if variation is more than 2%)
		Numerator	Denominator	Numerator	Denominator	Numerator	Denominator				
(a)	Current Ratio	Current Assets = Inventories + Current Investment + Trade Receivables + Cash & Cash Equivalents + Other Current Assets + Contract Assets + Assets held for Sale	Current Liabilities + Short term borrowings + Trade Payables + Other Financial Liability + Current tax (Liabilities) + Contract Liabilities + Provisions + Other Current Liabilities	11,689	8,740	6,907	2,226	1.34	3.10	-56.90%	Increase in short term borrowings and other advances
(b)	Debt-Equity Ratio	Debt = Long-term borrowings + Short-term borrowings	Equity = Share capital + Reserve and Surplus	8,143	(1,319)	1,006	4,018	-6.17	0.25	-2567.3%	Increased borrowings (debentures) and negative net income
(c)	Debt Service Coverage Ratio	Net Operating Income = Net profit after taxes + Non-cash operating expenses + finance cost	Debt Service = Interest & Lease Payments + Principal Repayments	(5,755)	844	(1,714)	201	-6.82	-8.53	20.05%	
(d)	Return on Equity Ratio	Net Income = Net Profits after taxes - Preference Dividend	Shareholder's Equity	(6,272)	(1,519)	(1,797)	4,018	-4.13	0.45	-1023.36%	Due to negative net income
(e)	Inventory Turnover Ratio	Cost of Goods Sold	(Opening Inventory + Closing Inventory) / 2	1,06,944	1,282	25,202	442	84.98	56.99	49.11%	Procurement and sales operations
(f)	Trade Receivables Turnover Ratio	Net Credit Sales	(Opening Trade Receivables + Closing Trade Receivables) / 2	1,11,745	5,184	25,903	2,477	21.56	10.46	106.13%	Improved realisation
(g)	Trade Payables Turnover Ratio	Net Credit Purchases	(Opening Trade Payables + Closing Trade Payables) / 2	1,10,039	2,993	25,787	1,416	36.89	18.21	102.60%	Faster payments to creditors
(h)	Working Capital Turnover Ratio	Total Income	Average Working Capital = Average Current assets - Average Current liabilities	1,11,823	3,814	25,903	2,796	29.32	9.26	216.46%	Capital management
(i)	Net Profit Ratio	Net Profit	Total Income	(6,272)	1,11,823	(1,797)	25,903	-6%	-7%	19.16%	Certain costs to sales have been reduced
(j)	Return on Capital Employed	EBIT = Earnings before interest and taxes	Capital Employed = Total Assets - Current Liability	(5,777)	3,637	(1,720)	4,757	-159%	-36%	-339.28%	Negative net income
(k)	Return on Investment	Net Profit	Net Investment = Net Equity	(6,272)	(1,324)	(1,797)	4,018	47.4%	-45%	1158.80%	Negative net income

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STERNE INDIA PRIVATE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in lakhs unless otherwise stated)

29 a. There are no contingent liability and commitments as at March 31, 2022 and March 31, 2021.

b. The Company doesn't have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2022 and March 31, 2021.

30 There are no un-hedged foreign currency exposure as at March 31, 2022 and March 31, 2021.

31 EXPENDITURE IN FOREIGN CURRENCY (ON ACCRUAL BASIS)

PARTICULARS	March 31, 2022	March 31, 2021
Marketing Expenses	2	-
	2	-

32 There is no earning in foreign currency for the financial year March 31, 2022 and March 31, 2021.

33 RELATED PARTY DISCLOSURES

In accordance with the requirement of Accounting Standard (AS)- 18 on "Related Party Disclosures" the names of the related parties where control exists /able to exercise significant influence along with the aggregate transactions/year end balances with them as identified and certified by the management are given below:

a Names of the Related Parties and Related Party Relationship

Parties that exercise Common Control:

Name of the related parties	Nature of relationship
<u>Key management personnel:</u>	
Mr. Khushnud Khan	Director
Mr. Rishiraj Singh Rathore	Director
Mr. Hussam Munir Elias Khoury	Director
Mr. Sagar Yogesh Ramteke (Till September 20, 2020)	Director
Mr. Palepu Sudhir Rao (from November 20, 2020)	Nominee Director
Mr. Pallab Kumar Chatterjee (from November 20, 2020)	Nominee Director
Falcon Internet Private Limited	Wholly owned Subsidiary Company
Gamma Internet Private Limited	Wholly owned Subsidiary Company
Fastmile Express Private Limited	Wholly owned Subsidiary Company
Sharkfin tech Private Limited	Wholly owned Subsidiary Company
Omphalos Ventures India LLP	Entity having significant influence

b Transactions with the Related Parties

Name of the Related Parties	Relationship	Nature of Transaction	March 31, 2022	March 31, 2021
Mr. Khushnud Khan	Director	Salary Paid	35	26
Mr. Rishiraj Singh Rathore	Director	Salary Paid	30	20
Falcon Internet Private Limited	Wholly owned Subsidiary	Investment in Subsidiary	1	-
		Advance against expense	9	-
Gamma Internet Private Limited	Wholly owned Subsidiary	Investment in Subsidiary	1	-
		Advance against expense	9	-
Fastmile Express Private Limited	Wholly owned Subsidiary	Investment in Subsidiary	1	-
		Transportation charges	1,052	-
Sharkfin tech Private Limited	Wholly owned Subsidiary	Investment in Subsidiary	15	-
		Advance against expense	2	-

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STERNE INDIA PRIVATE LIMITED
NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022
(All amounts are in lakhs unless otherwise stated)

c Outstanding balances

Name of the Related Parties	Relationship	Nature of Transaction	March 31, 2022	March 31, 2021
<u>Receivable/(Payable)</u>				
Mr. Rishiraj Singh Rathore	Director	Expenses	-	0
Mr. Khushnud Khan	Director	Expenses reimbursed	-	0
Falcon Internet Private Limited	Wholly owned Subsidiary Company	Advance towards expense	9	-
Gamma Internet Private Limited	Wholly owned Subsidiary Company	Advance towards expense	9	-
Fastmile Express Private Limited	Wholly owned Subsidiary Company	Trade payable	(256)	-
Fastmile Express Private Limited	Wholly owned Subsidiary Company	Trade payable-unbilled dues	(319)	-
Sharkfin tech Private Limited	Wholly owned Subsidiary	Advance towards expense	2	-

Note : The details of related parties are identified by the Company and relied by the auditor.

Excludes liability toward accrued gratuity, these have been recognised in totality based on actuarial valuation and the amount specifically attributable to KMP cannot be identified separately.

34 EARNINGS PER SHARE:

Particulars

	As at March 31, 2022	As at March 31, 2021
Loss after Taxation	(6,272)	(1,796)
Less: Preference dividend	-	(0)
Net Loss for calculation of basic EPS (a)	(6,272)	(1,796)
Add: interest on bonds convertible into equity shares (net of tax)	289	-
Net Loss for calculation of Diluted EPS (a)	(5,982)	(1,796)
Weighted Average Number of Equity Shares (b)	11,642	10,919
Basic & Diluted Earnings Per Share (a/b)	(53,870)	(16,451)
Nominal Value of Shares	10/-	10/-

35 Leases

Operating lease: Company as lessee

The Company has taken office under non-cancellable operating leases, which are renewable on a periodic basis.

Particulars

	As at March 31, 2022	As at March 31, 2021
Lease payments recognized as an expense in profit and loss account during the year	332	104

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STERNE INDIA PRIVATE LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All amounts are in lakhs unless otherwise stated)

36 EMPLOYEE STOCK OPTION PLAN

Sterne India Private Limited granted stock options to the employees of the Company. The Company provides share-based payment schemes to its employees which are equity settled. During the year ended March 31, 2022 Employee Stock Option Scheme 2018 (ESOP 2018) was in existence. ESOP 2018 is administered by the Board of Directors. The object of the Board of Directors is to manage scheme(s) made available for the benefit of the employees. The relevant details of the scheme and the grants are listed below:

Employee Stock Option Scheme 2018

The Board of Directors approved the 2018 Employee Stock Option Scheme structured to reward employees which has a vesting term of 4 years. Accordingly, Sterne Indian Private Limited created 245,800 share option pool (24,580 shares) to be allocated and granted from time to time to employees. The Company uses intrinsic value method for recognising share based payment expenses. Every 10 (Ten) options are convertible into 1 (One) equity share (Employee Stock Option) of Re.1/ (INR One Only) each which shall carry 1/10th of the rights per share in comparison to the other class of equity shares of the company.

The following table summarizes the Employee Stock Option Scheme activity for the year ended :

Particulars	Exercise Price	March 31, 2022	
		Number	WAEP (INR)
Options outstanding at the beginning of year	0.10	-	-
Add:			
Options granted during the year	0.10	47,284	0.10
Less:			
Options exercised during the year	0.10	-	-
Options bought back during the year	0.10	(2,930)	0.10
Options lapsed during the year	0.10	44,354	0.10
Options outstanding at the end of year			
		6,437	
Option exercisable at the end of year			

The Company has recognised ESOP from the current financial year beginning April 01, 2021.

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STERNE INDIA PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in lakhs unless otherwise stated)

37 In accordance with the Accounting Standard-15 'Employee Benefits', the Company has calculated the various benefits provided to employees as under:

A Defined contribution plans

a Provident fund

During the period the Company has recognized the following amounts in the Statement of profit and loss:-

Particulars	March 31, 2022	March 31, 2021
Employers Contribution to Provident fund	47	25

B Defined benefit plans and Other long-term benefits

a Contribution to gratuity funds - Employee's gratuity fund (Defined

In accordance with Accounting Standard 15, an actuarial valuation was carried out in respect of the aforesaid defined benefit plans based on the following assumptions.

i Actuarial assumptions

Particulars	March 31, 2022
Discount rate (per annum)	6.84%
Expected Rate of increase in compensation levels	15%
Expected Rate of return on plan assets.	-
Mortality Rate	Indian Assured Lives Mortality 2012-14 (Urban)
Retirement age	58
Average attained age	33.09 years
Withdrawal Rate	12%

The discount rate assumed is 6.84% per annum (Previous Year: Nil) which is determined by reference to market yield at the Balance Sheet date on government bonds. The estimate of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

ii Changes in the present value of the defined benefit obligation in respect of Gratuity (funded) are as follows:

Particulars	March 31, 2022
Present value obligation as at the beginning of the year	-
Interest cost	-
Current service cost	(80)
Past service cost	-
Benefits paid	-
Acquisition cost	-
Actuarial loss/(gain) on obligations	-
Present value obligation as at the end of the year	(80)



STERNE INDIA PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in lakhs unless otherwise stated)

iii Changes in the fair value of plan assets

Particulars	March 31, 2022
Fair value of plan assets as at the beginning of the year	-
Expected return on plan assets	-
Contributions	-
Benefits paid	-
Actuarial gain/ (loss) on plan assets	-
Fair value of plan assets as at the end of the year	-

iv Reconciliation of present value of defined benefit obligation and fair value of assets

Particulars	March 31, 2022
Present value obligation as at the end of the year	(80)
Fair value of plan assets as at the end of the year	-
Funded status/(deficit) or Unfunded net liability	(80)
Unfunded net liability recognized in balance sheet	-
Amount classified as:	-
Short term provision (Refer note 6)	0
Long term provision (Refer note 6)	(80)

v Expenses recognized in Statement of profit and loss

Particulars	March 31, 2022
Current service cost	(80)
Past Service Cost-Vested Benefit Recognised during the year	-
Interest cost	-
Deficit in acquisition cost recovered	-
Expected return on plan assets	-
Net actuarial loss/(gain) recognized during the year	(80)

vi Investment details of the Plan Assets

Particulars	March 31, 2022
Government of India Securities	-
Corporate Bonds	-
Insurer Managed Fund	-
Special Deposit Scheme	-
Others	-
Total fund balance	-

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STERNE INDIA PRIVATE LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All amounts are in lakhs unless otherwise stated)

General Description of the Plan

The Company operates gratuity plan through a trust wherein every employee is entitled to the benefit equivalent to fifteen days salary last drawn for each completed year of service. The same is payable on termination of service or retirement, whichever is earlier. The benefit vests after five years of continuous service. In case of some employees, the Company's scheme is more favorable as compared to the obligation under Payment of Gratuity Act, 1972.

vii Net assets/liability and actuarial experience gain/(loss) for present benefit obligation ('PBO') and plan assets

Particulars	March 31, 2022
PBO	(80)
Plan assets	-
Net assets/(liability)	(80)
Experience gain/(loss) on PBO	-
Experience gain/(loss) on plan assets	-
Actuarial gain due to change in assumptions	-

viii Employer's best estimate for contribution during next year

Particulars	March 31, 2022
Employees gratuity fund	-

The Company has adopted the actuarial valuation from the financial year beginning from April 01, 2021.

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STERNE INDIA PRIVATE LIMITED**NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**

(All amounts are in lakhs unless otherwise stated)

38 Details of Benami Property held

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

39 Relationship with Struck off Companies under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

40 Wilful Defaulter

The Company is not declared wilful defaulter by any bank or financial institution or lender during the year.

41 Registration of charges or satisfaction with Registrar of Companies

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

42 Compliance with number of layers of companies

The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

43 Utilisation of Borrowed funds and share premium:

- (i) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), 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 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.
- (ii) The Company has not received any fund from any person(s) or entity(ies), 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 or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

44 Undisclosed Income

The Company does not have any undisclosed income which is not recorded in the books of account that has been surrendered or disclosed as income during the year (previous 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 Corporate Social Responsibility (CSR)

The provisions relating to CSR are not applicable to the Company as per Sec 135 of the Companies Act 2013.

46 Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

47 Expense Capitalized as Part of Intangibles

Salaries, wages & other allowances
Technical fees & contract labour

March 31, 2022	March 31, 2021
242	-
230	-
472	-



STERNE INDIA PRIVATE LIMITED

NOTES TO THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(All amounts are in lakhs unless otherwise stated)

- 48 There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 49 The Company has incurred losses and its net worth has been substantially eroded. However, the Company has drawn up plans for capital raising and received funds subsequently which will support the Company to continue its operation and settle its liabilities and obligations as they become due. Accordingly, these standalone financial statements has been prepared on a going concern basis and that no adjustments are required to the carrying value of assets and liabilities.
- 50 In the opinion of the Board, the Current assets and loans and advances are approximately of the value stated, if realized in the ordinary course of business, except otherwise stated. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.
- 51 The Code on Social Security 2020 ('the Code') relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the standalone financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 52 Previous year figures have been regrouped/ reclassified wherever considered necessary to conform to current year classification.

As per our report of even date

For M S K A & Associates
Chartered Accountants
Firm Registration No.:105047W



Manish P Bathija
Partner
Membership No.: 216706
Place: 15th October, 2022
Date: Bengaluru



For and on behalf of the Board of Directors

STERNE INDIA PRIVATE LIMITED

CIN:U74999KA2016PTC097331



Khushnood Khan
Director
DIN: 05104685
Place: 15th October, 2022
Date: Bengaluru



RishiRaj Singh Rathore
Director
DIN: 07616101
Place: 15th October, 2022
Date: Bengaluru

