

Independent Auditor's Report

To
The Members of
Welspun Aunta Simaria Projects Private Limited

Report on the audit of financial statements

1. Opinion

We have audited the accompanying financial statements of **Welspun Aunta Simaria Projects Private Limited** ('the Company'), which comprise the balance sheet as at 31 March 2021, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at 31 March 2021, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for opinion

We conducted our audit of the financial statements 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 financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Other information

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

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

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

4. **Management's responsibility for the financial statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

5. **Auditor's responsibility for the audit of the financial statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

6. Report on other Legal and Regulatory requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of Section 143(11) of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.
- II. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of written representations received from the directors of the Company as on 31 March 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

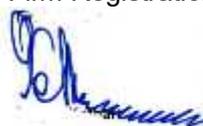
In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration during the year.

- h) 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 has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
 - iii. There are no amounts required to be transferred, to the Investor Education and Protection Fund by the Company during the year.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035




Sanjay Kothari

Partner

Membership Number 048215

Mumbai, 15 June 2021

UDIN: 21048215AAAAFV4393

Annexure - A to the Independent Auditor's Report

Annexure referred to in paragraph 6(A) under "Report on other Legal and Regulatory requirements" of our Report of even date to the members of the Company on the financial statements for the year ended 31 March 2021, we report that:

- i. The Company does not have any fixed assets and hence clause (i) (a), (b) and (c) of the Order is not applicable.
- ii. The Company does not have any inventory during the year and hence Clause (ii) of the Order is not applicable to the Company.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans or given any guarantees or made any investments or provided any security as per the provisions of Sections 185 and 186 of the Act.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act.
- vi. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- vii. According to the records of the Company examined by us and information and explanations given to us:
 - a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, goods and services tax, duty of customs, duty of excise, value added tax, cess and others as applicable have been generally regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2021 for a period of more than six months from the date they became payable.
 - b) There are no dues of income tax, sales tax, service tax, duty of customs, duty of excise and value added tax which have not been deposited on account of any dispute. Disputed dues of Goods and services tax which have not been deposited are as under:

Name of the Statute	Nature of the Dues	Amount in (Rs. in Lakhs)	Period to which the amount relate	Forum where dispute is pending
Goods and Services Tax Act 2017	Goods and services tax	# 835.08	F.Y. 2019-20	Office of the Commissioner, Begusai, Bihar,

excluding interest and penalty amounting to Rs. 199.83 lakhs.

- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions or banks. The Company does not have any loans from Government. The Company has issued unsecured optionally convertible debentures during the year and the Company has not defaulted in the repayment of interest and principal to the debenture holders as per the terms of instruments.
- ix. In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). The moneys raised by way of term loans during the year have been applied for the purposes for which they were raised.
- x. During the course of 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 have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.
- xi. According to the records of the Company examined by us, and information and explanations given to us, the Company has not paid/provided for managerial remuneration and hence requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act is not necessary.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.
- 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 and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards. Further as explained to us, the provisions of Section 177 are not applicable to the Company.
- xiv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035



Sanjay Kothari

Partner

Membership Number 048215

Mumbai, 15 June 2021

UDIN: 21048215AAAAFV4393

Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 6(B)(f) under "Report on Other Legal and Regulatory requirements" of our Report of even date to the members of the Company on the financial statements for the year ended 31 March 2021.

We have audited the internal financial controls over financial reporting of **Welspun Aunta Simaria Projects Private Limited** ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of 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.

Auditor's responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on "Audit of Internal Financial Controls over Financial Reporting" (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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 system over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the

maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

A blue ink signature of Sanjay Kothari is written over a circular blue stamp. The stamp contains the text 'mgb&co' and 'LLP' and 'CHARTERED ACCOUNTANTS'.

Sanjay Kothari

Partner

Membership Number 048215

Mumbai, 15 June 2021

UDIN: 21048215AAAAFV4393

WELSPUN AUNTA SIMARIA PROJECTS PRIVATE LIMITED

Balance Sheet as at 31 March 2021

(Rs in lakhs)

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
1. Non-current assets			
(a) Financial assets			
Service concession receivables	4	27,186	20,396
(b) Deferred tax assets	5	-	106
(c) Non-current tax assets	6	8	152
(d) Other non-current assets	7	285	285
Total non-current assets		27,479	20,939
2. Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	8	43	310
(ii) Bank balances other than (i) above	9	12	69
(b) Other current assets	10	5,846	3,249
Total current assets		5,901	3,628
Total assets		33,380	24,567
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11a	100	100
(b) Instruments entirely equity in nature	11b	6,932	6,932
(c) Other equity	11c	543	(82)
Total equity		7,575	6,950
LIABILITIES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	8,268	3,758
(b) Other non current liability	13	285	285
(c) Deferred tax liabilities	14	174	-
Total non-current liabilities		8,727	4,043
2. Current liabilities			
(a) Contract liabilities	15	8,860	9,411
(b) Financial liabilities			
(i) Borrowings	16	8,144	4,027
(ii) Trade payables	17		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		50	79
(iii) Other financial liabilities	18	-	23
(c) Other current liabilities	19	24	34
Total current liabilities		17,078	13,574
Total equity and liabilities		33,380	24,567

Notes forming part of the financial statements

1 to 41

As per our report of even date

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035



Sanjay Kothari
Partner
Membership Number 048215
Place: Mumbai
Date : 15 June 2021

For and on behalf of the Board

Yogen Babulal Lal
Director
DIN : 01828376
Place: Mumbai
Date : 15 June 2021

Vinoo Sanjay
Director
DIN : 07470339

WELSPUN AUNTA SIMARIA PROJECTS PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31 March 2021

(Rs in lakhs)

	Notes	Year ended 31 March 2021	Year ended 31 March 2020
Income			
Revenue from operations	20	7,958	13,250
Other income	21	1,853	839
Total income		9,811	14,089
Expenses			
Sub-contracting, civil and repair work	22	7,341	11,595
Finance costs	23	944	937
Other expenses	24	617	1,655
Total expenses		8,902	14,187
Profit/ (loss) before tax		909	(98)
Tax expense			
- Current tax	25	3	5
- Deferred tax charge/(benefit)		281	(138)
Total tax expense		284	(133)
Profit for the year		625	35
Other comprehensive income for the year			
		-	-
Total comprehensive income for the year		625	35
Earnings per equity share of Rs. 10 each fully paid-up	30		
Basic EPS (Rs)		62.47	275.96
Diluted EPS (Rs)		0.89	0.07

Notes forming part of the financial statements 1 to 41

As per our report of even date

For MGB & Co LLP
Chartered Accountants
Firm Registration Number 101169W/W-100035



Sanjay Kothari
Partner
Membership Number 048215
Place: Mumbai
Date : 15 June 2021

For and on behalf of the Board



Yogen Babulal Lal
Director
DIN : 01828376
Place: Mumbai
Date : 15 June 2021



Vinoo Sanjay
Director
DIN : 07470339

WELSPUN AUNTA SIMARIA PROJECTS PRIVATE LIMITED

Statement of changes in equity for the year ended 31 March 2021

A. Equity share capital		(Rs in lakhs)
Balance as at 31 March 2019		1
Changes during the year		99
Balance as at 31 March 2020		100
Changes during the year		-
Balance as at 31 March 2021		100

B. Instruments entirely equity in nature		
Balance as at 31 March 2019		4,857
Changes during the year		2,075
Balance as at 31 March 2020		6,932
Changes during the year		-
Balance as at 31 March 2021		6,932

C. Other equity		
	Retained earnings	Total other equity
Balance as at 31 March 2019	(117)	(117)
Profit during the year	35	35
Other comprehensive income for the year	-	-
Total comprehensive income for the year	35	35
Balance as at 31 March 2020	(82)	(82)
Profit during the year	625	625
Other comprehensive income for the year	-	-
Total comprehensive income for the year	625	625
Balance as at 31 March 2021	543	543

Nature and purpose of reserves :-

i) Retained earnings

Retained earnings represent the accumulated earnings net of losses, if any, made by the Company.

Notes forming part of the financial statements

1 to 41

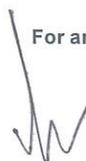
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Vinoo Sanjay
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WELSPUN AUNTA SIMARIA PROJECTS PRIVATE LIMITED

Statement of cash flows for the year ended 31 March 2021

(Rs in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
A. Cash flow from operating activities		
Profit before tax	909	(98)
Adjustments for		
Interest income on financial assets	(1,840)	(374)
Interest income on Bank deposits	(6)	(21)
Net gain on financial assets mandatorily measured at FVTPL	-	(444)
Interest expense	944	937
Operating profit before working capital changes	7	0
Adjustments for :		
Trade and other receivables	(7,546)	(3,774)
Trade and other payables	(990)	(3,471)
Cash used in operating activities	(8,529)	(7,244)
Less: Direct taxes paid	140	(41)
Net cash used in operating activities	(8,389)	(7,285)
B. Cash flow from investing activities		
Interest income on Bank deposits	6	21
Increase in other bank balance	57	255
Net Cash inflow from/ (outflow) from investing activities	63	276
C. Cash flow from financing activities		
Proceeds from issue of equity shares	-	99
Proceeds from issue of compulsorily convertible debentures	-	2,074
Proceeds from long-term borrowings	4,495	4,000
Proceeds from issue of optionally convertible debentures	-	900
Proceeds short-term borrowings	4,179	518
Repayment of short term borrowings	(62)	(0)
Interest paid	(553)	(278)
Net cash inflow from/ (outflow) from financing activities	8,059	7,314
Net increase / (decrease) in cash and cash equivalents	(267)	305
Cash and cash equivalents at the beginning of the year	310	5
Cash and cash equivalents at the end of the year	43	310

Notes :

1. Break up of cash and cash equivalents are as follows :-

Balances with banks in :-		
Current accounts	43	5
Deposit accounts	-	305
	43	310

2. As required by Ind AS 7 "Statement of Cash Flows", a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in note 38.

3. Previous year figure are regrouped/ reclassified wherever considered necessary.

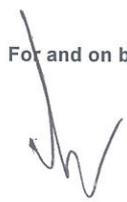
Notes forming part of the financial statements 1 to 41

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Sanjay Kothari
Partner
Membership Number 048215
Place: Mumbai
Date : 15 June 2021

For and on behalf of the Board



Yogendra Babulal Lal
Director
DIN : 01828376
Place: Mumbai
Date : 15 June 2021



Vinoo Sanjay
Director
DIN : 07470339

WELSPUN AUNTA SIMARIA PROJECTS PRIVATE LIMITED

Notes forming part of the financial statements

1 Company information

Welspun Aunta Simaria Projects Private Limited, ('the Company') is domiciled and incorporated in India. The Company is engaged into infrastructure development of Four/Six laning of Aunta - Simaria (Ganga Bridge with approach road) section of NH 31 from KM 197.900 to 206.050 (Design Chainage) and (Existing Chainage Km 204.741 to Km 209.945 of NH-31) [Total Design Length – 8.150 km] in the State of Bihar.

The financial statements of the Company are prepared for the period 1 April 2020 to 31 March 2021 and authorised for issue by the Board of Directors at their meeting held on 15 June 2021.

2 Basis of preparation

The financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules (as amended) from time to time and other relevant provisions of the Act and rules framed thereunder.

The financial statements have been prepared under the historical cost convention and on accrual basis, except for certain financial assets and liabilities which have been measured at fair value.

The financial statements are presented in Indian rupees (INR) with values rounded off to the nearest lakhs, except otherwise stated. Zero '0' denotes amount less than Rs 50,000/-

3(A) Significant accounting policies

i) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
 - Held primarily for the purpose of trading
 - Expected to be realized within twelve months after the reporting period, or
 - Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- All other assets are classified as non-current.

A liability is classified as current when:

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

The Company classifies all other liabilities as non-current.

The company has identified 12 months as its operating cycle.

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

ii) Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria is met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. The carrying amount of the replaced part accounted for as a separate asset previously is derecognized. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Depreciation on property, plant and equipment is provided on written down value basis as per the rate derived on the basis of useful life and method prescribed under Schedule – II of the Companies Act, 2013.

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

WELSPUN AUNTA SIMARIA PROJECTS PRIVATE LIMITED

Notes forming part of the financial statements

iii) Impairment of non-financial assets

The carrying amounts of other non-financial assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying amount exceeds its recoverable value. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to the present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the assets. An impairment loss is charged to the statement of profit and loss in the year in which an asset is identified as impaired. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life. The impairment loss recognized in prior accounting periods is reversed by crediting to the statement of profit and loss if there has been a change in the estimate of recoverable amount.

iv) Service concession arrangements

The Company constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include infrastructure used in a public-to-private service concession arrangement for its entire useful life.

Under Appendix C to Ind AS 115 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Company receives a right (i.e. a franchisee) to charge users of the public service. The financial asset model is used to the extent the Company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Company performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

In the financial asset model, the amount due from the grantor meets the definition of a receivable which is measured at fair value. Based on business model assessment, the Company measures such financial assets at amortised cost. The amount initially recognised plus the cumulative interest on that amount is calculated using the effective interest method. Any asset carried under concession arrangements is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial asset expire.

v) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3(C).

a) Revenue from construction contracts

The Company derives revenue from the long-term construction of major infrastructure projects across India. The transaction price is normally fixed at the start of the project. It is normal practice for contracts to include escalation clause based on timely construction or other performance criteria known as variable consideration, discussed below. Revenue is recognized over time in the construction stream, when the customer simultaneously receives and consumes the benefits provided through the entity's performance or when the Company creates or enhances an asset that the customer controls.

The Company recognises revenue from construction contracts, using an input method on the basis of accumulated project expenses in relation to estimated accumulated project expenses upon completion. This method reflects close approximation of actual work performed. A provision is made for the difference between the expected cost of fulfilling a contract and the expected unearned portion of the transaction price where the forecast costs are greater than the forecast revenue.

Contract revenue corresponds to the fair value of consideration received/ receivable from the customer to the extent that it is probable that they will result in revenue, and they are capable of being reliably measured.

b) Services revenue

The Company performs maintenance and other services. Revenue is recognised in the accounting period in which the services are rendered, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Company. Customers are in general invoiced at an amount that is calculated on either a schedule of rates or a cost plus basis that are aligned with the stand alone selling prices for each performance obligation. Payment is received following invoice on normal commercial terms.



WELSPUN AUNTA SIMARIA PROJECTS PRIVATE LIMITED

Notes forming part of the financial statements

c) Variable consideration

It is common for contracts to include performance bonuses or penalties assessed against the timeliness or cost effectiveness of work completed or other performance related KPIs. Where consideration in respect of a contract is variable, the expected value of revenue is only recognised when the uncertainty associated with the variable consideration is subsequently resolved, known as "constraint" requirements. The Company assesses the constraint requirements on a periodic basis when estimating the variable consideration to be included in the transaction price. The estimate is based on all available information including historic performance. Where modifications in design or contract requirements are entered into, the transaction price is updated to reflect these. Where the price of the modification has not been confirmed, an estimate is made of the amount of revenue to recognise whilst also considering the constraint requirement.

d) Interest income

Interest income for all debt instruments, measured at amortised cost or fair value through other comprehensive income, is recognised using the effective interest rate method ('EIR') and shown under interest income in the statement of profit and loss. EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income on interest bearing financial assets classified as fair value through profit and loss is shown as interest income under other income.

e) Contract Balances

Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

Unlike the method used to recognise contract revenue related to construction contract, the amounts billed to the customer are based on achievement of the various milestones established in the contract. The amounts recognised as revenue for a given year do not necessarily coincide with the amounts billed to or certified by the customer. In the case of contracts in which the goods or services transferred to the customer exceed the related amount billed, the difference is recognised (as a contract asset) and presented in the statement of financial position under "Contract assets", whereas in contracts in which the goods or services transferred are lower than the amount billed to the customer, the difference is recognised (as a contract liability) and presented in the statement of financial position under "Contract liabilities".

Trade receivables

A trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Revenue earned from construction activities, but yet to be billed to customers, is initially recognised as contract assets and reclassified to trade receivables when the right to consideration becomes unconditional. We refer to the accounting policies on financial assets in this note for more information.

f) Cost to obtain a contract

The Company incurs costs to obtain the contracts such as bidding costs, feasibility study. The Company has charged these costs to statement of profit and loss as the Company does not expect to recover these costs.

g) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer represents a financing component. As a consequence, the Company does not adjust any of the transaction prices for the time value of money. However incase financing element is present then the Company would split the transaction price between the consideration for services rendered and time value of money ('financing component')

h) Loss making contracts

A provision is made for the difference between the expected cost of fulfilling a contract and the expected unearned portion of the transaction price where the forecast costs are greater than the forecast revenue.

vi) Taxes on income

a) Current tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.



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Notes forming part of the financial statements

b) Deferred tax

Deferred tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

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

Current and deferred tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

vii) Foreign currency transactions

The Company's financial statements are presented in INR, which is also the Company's functional currency. Foreign currency transactions are recorded on initial recognition in the functional currency, using the exchange rate at the date of the transaction. At each balance sheet date, foreign currency monetary items are reported using the closing exchange rate. Exchange differences that arise on settlement of monetary items or on reporting at each balance sheet date of the Company's monetary items at the closing rate are recognised as income or expenses in the period in which they arise. Non-monetary items which are carried at historical cost denominated in a foreign currency are reported using the exchange rate at the date of transaction.

viii) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

ix) 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. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except when the results would be anti-dilutive.

x) Provisions, contingent liabilities and contingent assets

a) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made to the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.



WELSPUN AUNTA SIMARIA PROJECTS PRIVATE LIMITED

Notes forming part of the financial statements

b) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Company or a present obligation which is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Information on contingent liabilities is disclosed in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. Contingent assets are not recognized, but are disclosed in the financial statements.

xi) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A. Financial assets

Initial recognition and measurement

Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets at initial recognition. All financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial asset except for financial assets classified as fair value through profit or loss.

Subsequent measurement

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

- a) Debt instruments measured at amortised cost
- b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)
- c) Debt instruments measured at fair value through profit or loss (FVTPL)
- d) Equity instruments measured at FVTOCI or FVTPL

Debt instruments

The subsequent measurement of debt instruments depends on their classification. The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

a) Debt instruments measured at amortised cost

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of profit and loss when the asset is derecognised or impaired. Income from these financial assets is included in interest income using the effective interest rate method.

b) Debt instruments measured at FVTOCI

Debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payment of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest income which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in the OCI is reclassified from equity to statement of profit and loss. Income from these financial assets is included in interest income using the effective interest rate method.

c) Debt instruments measured at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument (except as referred in 3 (A) (iv) as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.



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Notes forming part of the financial statements

d) Equity instruments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

B. Derecognition of financial assets

A financial asset is derecognised only when

- i) The Company has transferred the rights to receive cash flows from the financial asset or
- ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

C. Reclassification of financial instruments

The entity determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets, such as equity instruments designated as FVTPL or FVOCI. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

D. Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following:

- i) Financial assets measured at amortised cost
- ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to

- i) the twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within twelve after the reporting date) or
- ii) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, twelve months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the Company reverts to recognising impairment loss allowance based on twelve months ECL.

E. Financial liabilities

a) Initial recognition and measurement

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial liability at initial recognition. All financial liabilities are recognised initially at fair value plus transaction costs that are directly attributable to the acquisition of the financial liability except for financial liabilities classified as fair value through profit or loss.

b) Subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- a) Financial liabilities measured at amortised cost
- b) Financial liabilities measured at FVTPL (fair value through profit or loss)



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Notes forming part of the financial statements

i) Financial liabilities measured at amortised cost

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the statement of profit and loss.

ii) Financial liabilities measured at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities at fair value through profit or loss are carried in the balance sheet at fair value with changes in fair value recognized in the statement of profit and loss.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

xii) Fair value measurement

The Company measures financial instruments, such as, investment in debt and equity instruments at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

xiii) Government grants

Government grants (except those existing on transition date) are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.



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Notes forming part of the financial statements

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to the statement of profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset by equal annual installments.

xiv) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a Substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

xv) Exceptional items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.

3 (B) Significant estimates, judgments and assumptions

The preparation of financial statements requires management to exercise judgment in applying the Company's accounting policies. It also requires the use of estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and the accompanying disclosures including disclosure of contingent liabilities. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis, with revisions recognised in the period in which the estimates are revised and in any future periods affected.

a) Revenue from contracts with customers

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

- i. determination of stage of completion;
- ii. estimation of total contract costs;
- iii. estimation of total contract revenue, including recognising revenue on contract variations and claims only to the extent it is highly probable that a significant reversal in the amount recognised will not occur in the future;
- iv. estimation of project completion date; and
- v. assumed levels of project execution productivity.

b) Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that have a low probability of crystallizing or are very difficult to quantify reliably, are treated as contingent liabilities. Such liabilities are disclosed in the notes, if any, but are not provided for in the financial statements. There can be no assurance regarding the final outcome of these legal proceedings.

c) Impairment testing

- i. Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognised. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered, or on more detailed reviews of individually significant balances.
- ii. Determining whether the carrying amount of these assets has any indication of impairment also requires judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate.

d) Taxes

The Company periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. The Company records its best estimates of the tax liability in the current tax provision. The management believes that they have adequately provided for the probable outcome of these matters.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable



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Notes forming part of the financial statements

e) Fair Value Measurement

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions (Refer note 27).

3 (C) Recent pronouncement

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them (as may be applicable) as required by law.



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Notes forming part of the financial statements

		(Rs in lakhs)	
		As at	As at
		31 March 2021	31 March 2020
4	Non-current financial assets		
	Service concession receivables	27,186	20,396
	Total	27,186	20,396
5	Deferred tax assets		
	Deductible difference on account of service concession	-	106
	Total	-	106
6	Non-current tax assets		
	Balance with government authorities		
	- Direct tax (net of provision of tax)	8	152
	Total	8	152
7	Non-current assets - others		
	Balance with Government authorities		
	- Indirect tax	285	285
	Total	285	284.86
8	Cash and cash equivalents		
	Balances with banks		
	- in current accounts	43	5
	- in Deposit Accounts having original maturity period of less than 3 months*	-	305
	Total	43	310
	* Lien marked against issuance of bank guarantee		
9	Bank balances (other than 8 above)		
	Escrow account	12	69
	Total	12	69
10	Other current assets		
	Trade advances		
	Related party (Refer note 32)	2,168	102
	Others	18	6
	Balance with Government authorities- Indirect tax	3,654	3,120
	Prepaid expenses	6	21
	Total	5,846	3,249



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Notes forming part of the financial statements

11 Equity

11(a) - Equity share capital

	(Rs in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Authorised share capital		
1,000,000 (31 March 2020 : 1,000,000) equity shares of Rs.10 each fully paid up	100	100
Issued, subscribed and paid up equity share capital		
1,000,000 (31 March 2020 : 10,000) equity shares of Rs.10 each fully paid up	100	100
Total issued, subscribed and paid up equity share capital	100	100

i) Reconciliation of the number of equity shares outstanding at the beginning and at the end of the reporting year

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	(Rs in lakhs)	Number of shares	(Rs in lakhs)
Number of shares at the beginning of the year	1,000,000	100	10,000	1
Add : Shares issued during the year	-	-	990,000	99
Number of shares at the end of the year	1,000,000	100	1,000,000	100

ii) Rights, preference and restriction on shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share.

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

iii) Shares held by holding/ ultimate holding companies and / or their subsidiaries/ associates/ co-venturer

	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% Holding	Number of shares	% Holding
Welspun Enterprises Limited	740,000	74%	740,000	74%
Welsteel Enterprises Private Limited	260,000	26%	260,000	26%

iv) Details of shareholders holding more than 5% shares in the Company

Welspun Enterprises Limited and its nominees	740,000	74%	740,000	74%
Welsteel Enterprises Private Limited	260,000	26%	260,000	26%



v) The Company has not issued any bonus shares, shares issued for consideration other than cash and shares bought back during the last five years immediately preceding the reporting date 31 March 2021.

11(b) - Instruments entirely equity in nature	(Rs in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Compulsorily convertible debentures ('CCD') 69,31,520 (31 March 2020: 69,31,520) 0% Unsecured Compulsorily Convertible Debentures of Rs 100 each, fully paid up (Refer note below)	6,932	6,932
Total	6,932	6,932

Terms and conditions

Each unsecured debentures shall be compulsorily convertible into 10 equity shares of Rs 10 each of the Company at the end of the tenure.

The debenture holder and the Company may mutually agree to convert the debentures into equity shares at any time before expiry of the tenure and the same doesn't carry any interest.

11(c) - Other equity

	As at	As at
	31 March 2021	31 March 2020
Retained earnings		
As per last balance sheet	(82)	(117)
Total comprehensive income for the year	625	35
Total	543	(82)



WELSPUN AUNTA SIMARIA PROJECTS PRIVATE LIMITED

Notes forming part of the financial statements

	(Rs in lakhs)	
	As at 31 March 2021	As at 31 March 2020
12 Non- current financial liability - borrowings		
Secured		
Term loan from Banks	8,268	3,781
Less: Current maturities of long term borrowings - (Refer note 18)	-	(23)
Total	8,268	3,758

Nature of security and terms of repayments for long-term borrowings

Union Bank of India, Central Bank of India

(i) Pledge of 51% of the paid up and voting equity share capital of the Company & first mortgage and charge on all the Company's Immovable properties, including leasehold rights, if any, both present and future, save and except Project Assets.

(ii) First mortgage and charge on all tangible moveable assets including moveable plant & machineries, machinery spares, tools & accessories, furniture & fixture, vehicles and other movable assets both present & future, save and except Project Assets.

(iii) a first charge over all accounts of the Company, including the escrow accounts and sub accounts.

(iv) First charge on all intangible assets, if any including but not limited to, goodwill rights, undertaking intellectual property and uncalled capital present & future excluding the project assets.

(v) Charge/ assignment by way of security in:

all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Agreements including Concession Agreement and EPC Contract.

the right, title and interest of the Company in, to and under all the Government Approvals.

all the right, title, interest, benefits, claims and demands whatsoever of the Company in the letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Agreements; and

all the right, title, interest, benefits, claims and demands whatsoever of the Company under all Insurance Contracts.

Repayment terms

a) Rate of interest : 1 year MCLR plus 0.80% p.a.

b) Term loans are repayable in 30 half yearly installments starting from November 2022 and ending in May 2037.

13 Other non current liability		
Statutory dues	285	285
Total	285	285

14 Deferred Tax Liability		
Taxable difference on account of service concession	117	-
Taxable difference on borrowings	57	-
Total	174	-

	(Rs in lakhs)	
	As at 31 March 2021	As at 31 March 2020
15 Contract Liability		
Contract liabilities (Refer note 33)		
- Other party	8,860	9,411
	8,860	9,411

16 Current financial liabilities - borrowings		
Unsecured		
Borrowing from related party (Refer note 32)		
8,144,290 (31 March 2020 :3,550,305) 0% unsecured optionally convertible debentures of Rs 100 each fully paid up	8,144	3,550
Loans repayable on demand	0	477
Total	8,144	4,027

WELSPUN AUNTA SIMARIA PROJECTS PRIVATE LIMITED

Notes forming part of the financial statements

Optionally convertible debentures ('OCD')

Terms and conditions

Each debenture shall be convertible, at the option of the holder or the Company into 10 equity shares of Rs 10 each of the Company at any time after the expiry of 5 years and such conversion option shall be available till the expiry of the tenure (10 years from date of allotment) unless redeemed earlier. Besides, the Debenture holder as well as the Company has the right to seek redemption or do redemption, as the case may be, any time after the allotment of debentures. If the debentures are not converted into equity or redeemed until the expiry of the tenure, the debentures shall be redeemed at the expiry of the tenure.

17 Trade payables

Total outstanding dues of micro enterprises and small enterprises (Refer note 35) (A) - -

Total outstanding dues of creditors other than micro enterprises and small enterprises

- Others

50

79

Sub total (B)

50

79

Total (A+B)

50

79

18 Current financial liabilities - others

Current maturities of long-term borrowings

-

23

Total

-

23

Current maturities of long-term borrowings includes interest accrued but not due of Rs Nil (31 March 2020: Rs 23 lakhs)

19 Other current liabilities

Statutory dues

24

34

Total

24

34



WELSPUN AUNTA SIMARIA PROJECTS PRIVATE LIMITED

Notes forming part of the financial statements

	(Rs in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
20 Revenue from operations		
Revenue from construction contract	7,958	13,250
Total	7,958	13,250
21 Other income		
Interest Income		
- On Bank	6	21
- Financial assets at amortised cost	1,840	374
- On income tax refund	7	-
Net gain on financial assets mandatorily measured at fair value through profit and loss	-	444
Total	1,853	839
22 Sub-contracting, civil and repair work		
Sub-contracting, civil and repair work	7,341	11,595
Total	7,341	11,595
23 Finance costs		
Interest expenses on financial liabilities at amortised cost		
- Term loan	476	25
- Other interest costs	400	636
Bank and other financial charges	68	276
Total	944	937
24 Other expenses		
Rates and taxes	326	1,425
Insurance	75	63
Legal and professional charges	210	164
Payment to auditors		
- Audit fees (including fees for limited review)	3	1
- Other matters	1	1
Director Sitting Fee	2	0
Total	617	1,654
25 Tax Expenses		
Current Tax	3	5
Deferred Tax	281	(138)
Total	284	(133)



WELSPUN AUNTA SIMARIA PROJECTS PRIVATE LIMITED

Notes forming part of the financial statements

25 Income tax

(a) Tax expense recognised in the statement of profit and loss

(Rs in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Current tax		
Current tax on taxable income for the year	3	5
Deferred tax		
Ind AS adjustment	281	(138)
Total tax expense	284	(133)

(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

(Rs in lakhs)

	Year ended 31 March 2021	Year ended 31 March 2020
Accounting profit before tax	909	(98)
At India's statutory income tax rate	229	(25)
Tax effect of amount which are not taxable/(allowable) in calculating taxable income :		
Other allowances for tax purpose	(5)	(108)
Other non deductible expenses for tax purpose	61	-
Income tax expenses reported in the statement of profit and loss	284	(133)
(Refer Note 3 (A) (vi)) in Significant Accounting Policies		

(c) Deferred tax relates to the following:

(Rs in lakhs)

	Balance Sheet		Recognized in the statement of profit and loss	
	As at 31 March 2021	As at 31 March 2020	Year ended 31 March 2021	Year ended 31 March 2020
A. Deferred tax liabilities				
Taxable difference on account of service concession	117	-	223	
Taxable difference on borrowings	57	-	57	-
B. Deferred tax Assets				
Deductible difference on account of service concession	-	106	-	(138)
Total	174	106	281	(138)
Deferred tax charge/(credit)	174	106	281	(138)



WELSPUN AUNTA SIMARIA PROJECTS PRIVATE LIMITED

Notes forming part of the financial statements

26 Financial risk management

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

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks.

A. Market risk

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

B. Interest rate risk

This refers to risk to Company's cash flow and profits on account of movement in market interest rates.

For the Company the interest risk arises mainly from interest bearing borrowings which are at floating interest rates. To mitigate interest rate risk, the Company closely monitors market interest.

(i) Interest rate risk exposure

(Rs in lakhs)

	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	8,268	3,781

(ii) Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected. With all other variables held constant, the Company's profit before tax is affected through the impact of change in interest rate of borrowings, as follows:

(Rs in lakhs)

Effect on Profit before tax	Year ended 31 March 2021	Year ended 31 March 2020
Interest rates : Increase by 50 basis points	(42)	(20)
Interest rates : Decrease by 50 basis points	42	20

C. Credit risk

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2021 is the carrying amounts. The Company does not have any credit risk as at 31 March 2021.

The ageing analysis of the receivables (gross of expected credit loss) has been considered from the date the invoice falls due.

(Rs in lakhs)

	As at 31 March 2021	As at 31 March 2020
Service concession receivables		
Over one year	27,186	20,396
Less than one year	-	-
Total	27,186	20,396

The Company reviews its outstanding position of financial assets on monthly basis and takes necessary action to mitigate the risk.

C Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that the funds are available for use as per the requirements.

a) Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the contractual undiscounted payments as at 31 March 2021.

(Rs in lakhs)

Financial Liabilities	Long term borrowings	Short term borrowings	Trade payables
Less than 1 year	-	8,144	50
Between 1 to 5 years	1,374	-	-
Beyond 5 years	6,894	-	-
Total	8,268	8,144	50

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the contractual undiscounted payments as at 31 March 2020.

Financial Liabilities	Long term borrowings	Short term borrowings	Trade payables
Less than 1 year	23	4,027	79
Between 1 to 5 years	448	-	-
Beyond 5 years	3,310	-	-
Total	3,781	4,027	79



WELSPUN AUNTA SIMARIA PROJECTS PRIVATE LIMITED

Notes forming part of the financial statements

27 Fair value measurements

Financial instruments by category (Rs in lakhs)

	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Non-current assets				
Service concession receivable	-	27,186	-	20,396
Current assets				
Cash and cash equivalents	-	43	-	310
Bank balances	-	12	-	69
Total financial assets	-	27,241	-	20,775
Financial liabilities				
Non Current liabilities				
Borrowings	-	8,268	-	3,758
Current liabilities				
Borrowings	-	8,144	-	4,027
Trade payables	-	50	-	79
Other financial liability	-	-	-	23
Total financial liabilities	-	16,462	-	7,888

The carrying amounts of cash and cash equivalents, other bank balances, other financial assets, current borrowings, and trade payables that are measured at amortised cost are considered to be approximately equal to the fair value due to short-term maturities of these financial assets/ liabilities.



WELSPUN AUNTA SIMARIA PROJECTS PRIVATE LIMITED

Notes forming part of the financial statements

28 Service concession receivables

The Company manages concession arrangement which include the construction of road on hybrid annuity basis followed by a period in which the Company maintains and services the infrastructure. These concession arrangements set out rights and obligations relating to the infrastructure and services to be provided. For fulfilling those obligations, the Company is entitled to receive cash from the grantor. The Consideration received or receivable is allocated by reference to the relative fair value of the services provided. The same is classified and disclosed as current and non current service concession receivables in the balance sheet based on the criteria of current and non current classification mentioned in note 3(A)(i).

29 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital, instruments entirely equity in nature (compulsorily convertible debentures) and all other equity reserves attributable to the shareholders of the Company. The primary objective of the Company's capital management is to maximise the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company's policy is to keep the gearing ratio less than 90%. The Company includes within net debt, optionally convertible debentures, short term borrowings, trade and other payables, less cash and cash equivalents.

		(Rs in lakhs)	
		As at	As at
		31 March 2021	31 March 2020
Net Debt	A	25,303	17,023
Total Capital	B	7,575	6,950
Capital and net debt	C = A + B	32,878	23,973
Gearing Ratio	A / C	76.96%	71.01%

30 Earnings per share (EPS)

		(Rs in lakhs)	
		As at	As at
		31 March 2021	31 March 2020
Net profit after tax available for equity shareholders	A	625	35
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating basic EPS (Number of shares)	B	1,000,000	12,712
Add : Effect of dilutions :-			
Compulsorily Convertible Debentures (number of shares)		69,315,200	48,629,429
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating diluted EPS (Number of shares)	C	70,315,200	48,642,141
Basic earnings per share	A/ B	62.47	275.96
Diluted earnings per share	A/C	0.89	0.07

31 Segment information

The Company is engaged in the business of infrastructure development which in the opinion of the management is considered the only business segment in the context of Ind AS 108. The geographical segment is not relevant as the Company operates in a single geographical segment i.e. India.

32 Disclosure as required by Ind AS 24 - Related Party disclosures

a) Particulars of Relationship

	As at	As at	Shareholding
	31 March 2021	31 March 2020	
i) Welspun Enterprises Limited	Parent#	Joint Arrangement - Coventurer	74.00%
ii) Welsteel Enterprises Private Limited	Associate	Joint Arrangement - Coventurer	26.00%

Became parent on 1 November 2019 (earlier - classified as Joint Arrangement - Coventurer)

b) Directors / Key managerial Personnel (KMP)

Mr. Shrinivas Kargutkar *	Director
Mr. Vinoo Sanjay	Director
Mr. Harshit Khandelwal @	Director
Mr. Yogen Babulal Lal **	Director
Mr. Sunil Agrawal \$	Additional Director
Mrs. Aruna Sharma ^	Independent Director
Mr. Raghav Chandra ^	Independent Director

* Ceased to be Director with effect from 31 October 2019

** Appointed with effect from 31 October 2019

^ Appointed with effect from 19 March 2020

\$ Appointed with effect from 27 January 2021

@ Ceased to be Director with effect from 16 December 2020



WELSPUN AUNTA SIMARIA PROJECTS PRIVATE LIMITED

Notes forming part of the financial statements

c) The following transactions were carried out with related parties in the ordinary course of business:

Nature of transactions	Year ended 31 March 2021	Year ended 31 March 2020
Sub-contracting, civil and repair work		
Welspun Enterprises Limited	7,341	11,595
Issue of Compulsorily Convertible Debentures		
Welsteel Enterprises Private Limited	-	2,074
Issue of Optionally Convertible Debentures		
Welspun Enterprises Limited	-	900
Issue of Equity Share Capital		
Welspun Enterprises Limited	-	73
Welsteel Enterprises Private Limited	-	26
Trade advance given		
Welspun Enterprises Limited	4,179	102
Repayment of trade advances		
Welspun Enterprises Limited	62	-
Short term borrowing taken		
Welspun Enterprises Limited	-	518
Repayment of borrowing		
Welspun Enterprises Limited	-	0
Conversion of short term borrowings into Optionally Convertible Debentures		
Welspun Enterprises Limited	4,594	65
Performance guarantee given/ (discharged) by		
Welspun Enterprises Limited	-	(5,805)
Bank guarantee given/ (discharged) by		
Welspun Enterprises Limited	-	(2,903)
Director Sitting Fee		
Mrs. Aruna Sharma	1	0
Mr. Raghav Chandra	1	0

Closing balances as at

(Rs in lakhs)

	As at 31 March 2021	As at 31 March 2020
Current financial liabilities - Optionally Convertible Debentures		
Welspun Enterprises Limited	8,144	3,550
Current financial liabilities - borrowings		
Welspun Enterprises Limited	0	477
Trade Advances		
Welspun Enterprises Limited	2,168	102
Instrument entirely equity in nature - Compulsorily Convertible Debentures		
Welspun Enterprises Limited	3,482	3,482
Welsteel Enterprises Private Limited	3,449	3,449
Bank guarantee outstanding		
Welspun Enterprises Limited	5,805	11,609
Guarantee outstanding for performance security		
Welspun Enterprises Limited	4,064	4,064

i) An undertaking (financial guarantee as per Ind AS) is given to lenders by Welspun Enterprises Limited, pursuant to which maximum exposure towards this is Rs 8,268 lakhs (31 March 2020 : Rs 6,000 lakhs).

ii) Transactions with related parties are at arm's length and in the ordinary courses of business. All the outstanding balances are unsecured and settled for consideration in cash.

33 Disclosure pertaining to Ind AS 115 " Revenue from Contracts with Customers"

A) Disaggregated revenue information

Having regard to the nature of contract with customer, there is only one type of category of revenue, hence disclosure of disaggregation of revenue is not given.

B) Contract Balances

	As at 31 March 2021	(Rs in lakhs) As at 31 March 2020
Contract liabilities	8,860	9,411

a) Explanation for decrease in Contract liabilities

(i) A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer and an excess of billing over revenue i.e. unearned revenue. The decrease in Contract liabilities in March 2021 is on account of decrease in mobilisation advance as per the terms of the contract.



WELSPUN AUNTA SIMARIA PROJECTS PRIVATE LIMITED

Notes forming part of the financial statements

(ii) During the previous year, Contract liabilities worth Rs 9,411 lakhs representing mobilisation advances are reclassified from Other Current Liabilities to the face of balance sheet as separate line item under the head Current liabilities. Considering the nature and surrounding circumstances, management believes that this reflects the true classification of the liability. The impact of this change is considered to be immaterial on the Company's financial performance and position.

34 Concession arrangements - main features

- (i) Name of the concession : Aunta - Simaria Highway Project
(ii) Description of arrangements : Four/Six laning of Aunta - Simaria (Ganga Bridge with approach road) section of NH 31 from KM 197.900 to 206.050 (Design Chainage) and (Existing Chainage Km 204.741 to Km 209.945 of NH-31) [Total Design Length – 8.150 km] in the State of Bihar
(iii) Significant terms of arrangements : Period of Concession: 15 Years from COD. Construction Period: 1277 days from Appointed Date
Remuneration: Annuity, Interest and O&M
Investment grant from concession grantor: Yes
Infrastructure return to grantor at end of concession : Yes
Investment and renewal obligations: No
Re-pricing dates: Half Yearly for O&M
Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement.

As on 31 March 2021, the project is in the construction phase.

During the previous year, the Company has reclassified service concession receivable out of fair value through profit or loss category into amortized cost category.

- 35** On the basis of the information available with the Company and intimations received from suppliers (Trade Payable and Other Payables), there are no dues payable as on 31 March 2021 (31 March 2020 : NIL) to Micro, Small and Medium Enterprises as per the disclosure requirement under the Micro, Small and Medium Enterprises Development Act, 2006.

36 Contingent liabilities (to the extent not provided for)

- i) Claim against the Company not acknowledged as debt

	(Rs in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Disputed GST liability*	928	-
	928	-

*excluding interest and penalty amounting to Rs. 199.83 lakhs

37 Collateral / security pledged

The Company has pledged following assets for borrowings

	(Rs in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Other current and non-current assets excluding investments and tax	27,241	20,775
Total assets pledged	27,241	20,775

38 Reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities as required by Ind AS 7 "Statement of Cash Flows" is as under:

(Rs in lakhs)				
	Equity share capital	Compulsorily convertible debentures	Optionally convertible debentures	Borrowings (Current and Non Current)
As at 31 March 2020	100	6,932	3,550	4,235
Cash inflow	-	-	-	8,674
Cash outflow	-	-	-	(62)
Other changes	-	-	4,594	(4,579)
As at 31 March 2021	100	6,932	8,144	8,268

(Rs in lakhs)				
	Equity share capital	Compulsorily convertible debentures	Optionally convertible debentures	Borrowings (Current and Non Current)
As at 31 March 2019	1	4,857	2,585	23
Cash inflow	99	2,074	900	4,518
Cash outflow	-	-	-	(0)
Other changes	-	-	65	(307)
As at 31 March 2020	100	6,932	3,550	4,235

WELSPUN AUNTA SIMARIA PROJECTS PRIVATE LIMITED

Notes forming part of the financial statements

39 Details of loans given, investments made and guarantee given covered U/s 186 of the Companies Act, 2013

The Company is engaged in the business of providing infrastructural facilities as specified under Schedule VI of the Companies Act 2013 (the 'Act') and hence the provisions of Section 186 of the Act related to loans/ guarantees given or securities provided are not applicable to the Company. There are no investments made by the Company during the period.

40 Estimation of uncertainty relating to COVID - 19 Outbreak

The Company's operations and financial results had been adversely impacted by the lockdown imposed to contain the spread of COVID-19. The operations gradually resumed with requisite precautions during the current period with limited availability of workforce and disrupted supply chain. With easing of lockdown, the Company's performance for the current year has been progressive and we expect the momentum to continue with an overall improvement in Covid situation. The Company has assessed the impact of pandemic on its financial results/position based on the internal and external information available up to the date of approval of these financial results and expects to recover the carrying value of its assets. The Company continues to monitor the economic effects of the pandemic while taking steps to improve its execution efficiencies and the financial outcome.

41 Figures for the previous year are re-classified/ re-arranged/ re-grouped, wherever necessary to be in conformity with the figures of the current year's classification/ disclosure.

As per our report of even date

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169WW-100035



Sanjay Kothari

Partner

Membership Number 048215

Place: Mumbai

Date : 15 June 2021

For and on behalf of the Board

A handwritten signature in blue ink, appearing to be 'Yogen Babulal Lal', written over a horizontal line.

Yogen Babulal Lal

Director

DIN : 01828376

Place: Mumbai

Date : 15 June 2021

A handwritten signature in blue ink, appearing to be 'Vinoo Sanjay', written over a horizontal line.

Vinoo Sanjay

Director

DIN : 07470339