



H K Shah & Co.

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
Welspun Projects (Himmatnagar Bypass) Private Limited
(Formerly known as MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED),

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Welspun Projects (Himmatnagar Bypass) Private Limited**, formerly known as MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including other comprehensive income) for the period 01st April 2020 to 31st March 2021, the Cash Flow Statement for the year then ended and the statement of changes in equity for the period, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements").

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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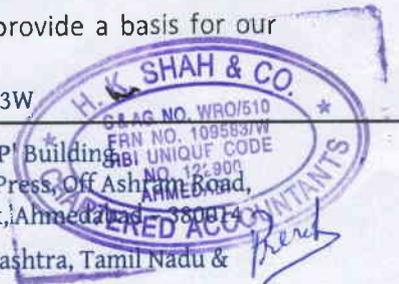
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🏠 **Branch Offices**

Gujarat, Maharashtra, Tamil Nadu &
Uttar Pradesh



Management's Responsibility for Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued there under.

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

In preparing Ind AS financial statements, management is responsible for assessing the company's ability to continue as going concern, disclosing, as applicable, matter related to going concern and using the going concern basis of accounting unless management either intended 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Companies Act, 2013, 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.

Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in 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 Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued there under;
 - e) On the basis of the written representations received from the directors as 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"; and
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:



- i. The Company does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2021

For,

H. K. Shah & Co.,
Chartered Accountants
FRN: 109583W



CA Gopesh K Shah

Partner

M. No. 106204

UDIN: ~~21106204AAAAC06970~~ 21106204AAAACS2994

Place: Ahmedabad

Date: ~~08/06/21~~ 14/6/21

ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in Paragraph 1 on Report on Other Legal and Regulatory Requirements of our report of even date)

- i. In respect of Property, Plant and Equipment:
 - a. The company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment.
 - b. All property, plant and equipment have been physically verified by the management during the year and there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - c. According to the information and explanations given to us and on the basis of our examination of the records, the title deeds of immovable properties are held in the name of the company.
- ii. In respect of inventories:

The company does not have any inventories during the year. So the reporting obligation under this clause is not applicable.
- iii. In respect of loans granted:

The Company has not granted any loans, secured or unsecured, during the year.
- iv. In respect of loans, investments, guarantees and security:

According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, guarantees and security or not made any investment as stipulated in section 185 and 186 of the Companies Act, 2013.
- v. In respect of acceptance of deposits:

The Company has not accepted any deposits with non-compliance of directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi. In respect of cost records:

In our opinion and according to the information and explanations given to us, the Company does not fall within the criteria prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013.
- vii. In respect of statutory dues:
 - a. According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing with appropriate



authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sale-tax, service-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.

- b. According to the information and explanations given to us, there are no dues of duty of customs, sales tax and duty of excise, service tax and value added tax which have not been deposited on account of any dispute. The disputed dues of income 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
The Income Tax Act, 1961	Income Tax	3.15	AY 2016-17	CIT(A)
The Income Tax Act, 1961	Income Tax	0.00	AY 2017-18	CIT(A)

- viii. In respect of default of repayment of loans or borrowing:
According to the information and explanations given to us and on the basis of our examination of the records, the Company has not defaulted in repayment of loans or borrowing to a financial institution or bank or Government or debenture holders.
- ix. In respect of application of money raised:
According to the information and explanations given to us and on the basis of our examination of the records, the Company has not raised the money by way of initial public offer or further public offer (including debt instruments) and term loans.
- x. In respect of fraud:
To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by or on the Company has been noticed or reported during the year.
- xi. In respect of managerial remuneration:
According to the information and explanations given to us and on the basis of our examination of the records, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In respect of Nidhi Company:
According to the information and explanations given to us and on the basis of our examination of the records, the company is not a Nidhi Company.
- xiii. In respect of transactions with related parties:



According to the information and explanations given to us and on the basis of our examination of the records, all the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

xiv. In respect of allotment or placement of shares:

According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.

xv. In respect of non-cash transaction:

According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with them in non-compliance of provision of section 192 of the Companies Act, 2013.

xvi. In respect of registration with RBI:

According to the information and explanations given to us and on the basis of our examination of the records, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and so, registration has not been obtained.

For,

H. K. Shah & Co.,

Chartered Accountants

FRN: 109583W

CA Gopesh K Shah

Partner

M. No. 106204

UDIN: 2106204AAAA006976

Place: Ahmedabad

Date: 08/06/21 14/6/21



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")

We have audited the internal financial controls over financial reporting of **Welspun Projects (Himmatnagar Bypass) Private Limited**, formerly known as MSK PROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED ("the company") as of 31st March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013. As informed to us the internal audit is being conducted for the parent company, which covers the subsidiary company audited by us.

Auditors' 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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 31st 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For,
H. K. Shah & Co.
Chartered Accountants
FRN: 109583W



CA Gopesh K Shah
Partner
M. No. 106204

Place: Ahmedabad

Date: 08/05/21 14/6/21

Welspun Projects (Himmatnagar Bypass) Private Limited
(Formerly known as MSK Projects (Himmatnagar Bypass) 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) Property, plant and equipment	4	0	5
(b) Intangible assets	5	-	58
(c) Deferred tax assets (net)	6	0	25
(d) Non-current tax assets (net)	7	26	25
Total non-current assets		26	113
2. Current assets			
(a) Financial assets			
(i) Investments	8	0	360
(ii) Trade Receivables	9	-	13
(iii) Cash and cash equivalents	10	3	102
(iv) Bank balances other than (iii) above	11	369	-
(v) Loans	12	-	0
(vi) Other financial assets	13	-	0
(b) Other current assets	14	0	0
Total current assets		372	476
Total assets		398	590
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	15	24	24
(b) Other equity	15	370	443
Total equity		394	467
LIABILITIES			
1. Non-current liabilities			
(a) Provisions	16	-	15
Total non-current liabilities		-	15
2. Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	0	27
(ii) Trade payables	18		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		3	77
(iii) Other financial liabilities	19	0	0
(b) Provisions	20	-	1
(c) Other current liabilities	21	1	3
Total current liabilities		4	109
Total equity and liabilities		398	590

Notes forming part of the financial statements

1 to 42

As per our report of even date

For H.K. Shah & Co.

Chartered Accountants

Firm Registration Number 109583W

CA Gopesh Shah

Partner

Membership Number 106204

Place: Ahmedabad

Date: 14 June 2021



For and on behalf of the Board

Sandeep Garg
Director
DIN: 00036415

Place: Mumbai
Date: 14 June 2021

Vishal Tandon
Director
DIN: 09036138

Place: Mumbai
Date: 14 June 2021

SIGN

MSK Projects (Himmatnagar Bypass) Private Limited
(Formerly known as MSK Projects (Himmatnagar Bypass) 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
I. Revenue from operations	22	140	544
II. Other income	23	28	22
III. Total income (I+II)		168	566
IV. Expenses			
Subcontracting, civil and repair work	24	83	99
Employee benefit expense	25	49	102
Finance costs	26	0	11
Depreciation and amortisation expense	27	59	20
Other expenses	28	25	89
Total expenses		216	321
V. Profit / (loss) before tax (III - IV)		(48)	245
VI. Income tax expense	33		
- Current tax		0	68
- Deferred tax charge/ (credit)		25	(4)
		25	64
VII. Profit/ (loss) for the year (V-VI)		(73)	181
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gain/ (losses) on define benefit plan		-	(1)
Income tax effect on above		-	0
VIII. Other comprehensive income for the year		-	(1)
IX. Total comprehensive income for the year (VII + VIII)		(73)	180
Earnings per equity share of Rs.10 each fully paid up	36		
Basic (Rs)		(30.10)	74.38
Diluted (Rs)		(30.10)	74.38

Notes forming part of the financial statements

1 to 42

As per our report of even date

For H.K. Shah & Co.

Chartered Accountants

Firm Registration Number 109583/W

CA Gopesh Shah

Partner

Membership Number 106204

Place: Ahmedabad

Date : 14 June 2021



For and on behalf of the Board

Sandeep Garg

Director

DIN : 00036419

Place: Mumbai

Date : 14 June 2021

Vishal Tandon

Director

DIN : 09036138

Place: Mumbai

Date : 14 June 2021

SIGN

Welspun Projects (Himmatnagar Bypass) Private Limited
(Formerly known as MSK Projects (Himmatnagar Bypass) Private Limited)

Notes forming part of the financial statements

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		24
Changes in equity share capital		-
Balance as at 31 March 2020		24
Changes in equity share capital		-
Balance as at 31 March 2021		24

B. Other equity

(Rs in lakhs)

	Attributable to owners of Welspun Projects (Himmatnagar Bypass) Private Limited		
	Securities Premium	Retained earnings	Total other equity
Balance as at 31 March 2019	209	725	934
Profit for the year	-	181	181
Dividend paid	-	(671)	(671)
Other comprehensive income	-	(1)	(1)
Total comprehensive income for the period	-	(491)	(491)
Balance as at 31 March 2020	209	234	443
Profit for the year	-	(73)	(73)
Dividend paid	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	(73)	(73)
Balance as at 31 March 2021	209	161	370

Notes forming part of the financial statements

Notes forming part of the 1 to 42

As per our report of even date

For H.K. Shah & Co.

Chartered Accountants

Firm Registration Number 109583W



CA Gopesh Shah

Partner

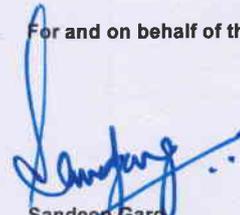
Membership Number 106204

Place: Ahmedabad

Date : 14 June 2021



For and on behalf of the Board



Sandeep Garg

Director

DIN : 00036419

Place: Mumbai

Date : 14 June 2021



Vishal Tandon

Director

DIN : 09036138

Place: Mumbai

Date : 14 June 2021

SIGN

Welspun Projects (Himmatnagar Bypass) Private Limited
(Formerly known as MSK Projects (Himmatnagar Bypass) 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	(48)	245
Adjustments for		
Depreciation & Amortisation	59	20
Finance costs	0	11
Fair value Gain/(loss)	2	57
Interest income on Bank deposits	(2)	(4)
Profit on sale of investment	(15)	(18)
Provision for Employee Benefits	-	2
Provision no longer required	(11)	-
Operating profit before working capital changes	(15)	312
Adjustments for :		
Increase / (decrease) in other current liabilities	(81)	67
Increase / (decrease) in short term loans & advances	0	-
(Increase) / decrease in trade receivable	13	4
(Increase) / decrease in Other Current Assets	0	0
Cash generated from / (used in) operations	(68)	72
CASH GENERATED FROM OPERATIONS	(83)	384
Less: Direct taxes paid	(0)	(81)
Net cash used in operating activities	(83)	303
B. Cash flow from investing activities		
Purchase of fixed assets	4	(0)
Interest income on Investments	-	(1)
Gain on sale of investment	15	18
Interest Income on bank deposits	2	4
Net Cash inflow from/ (outflow) from investing activities	21	21
C. Cash flow from financing activities		
Proceeds from short term Borrowings	230	992
Repayment of short term Borrowings	(256)	(965)
Dividend Paid	-	(671)
Finance costs	(0)	(11)
Net cash inflow from/ (outflow) from financing activities	(26)	(655)
Net Increase / (decrease) in cash and cash equivalent	(89)	(330)
Cash and cash equivalents at the beginning of the period	520	849
Cash and cash equivalents at the end of the period	432	519

Notes :

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

(Rs in lakhs)

Balances with banks in :-		
Cash in hand	3	102
Current accounts	369	-
Current Investments	60	418
	432	520

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 39

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

As per our report of even date

For H.K. Shah & Co.

Chartered Accountants

Firm Registration Number 109583/W

CA Gopesh Shah

Partner

Membership Number 106204

Place: Ahmedabad

Date : 14 June 2021



For and on behalf of the Board

Sandeep Garg

Director

DIN : 00036419

Place: Mumbai

Date : 14 June 2021

Vishal Tandon

Director

DIN : 09036138

Place: Mumbai

Date : 14 June 2021

Welspun Projects (Himmatnagar Bypass) Private Limited
(Formerly known as MSK Projects (Himmatnagar Bypass) Private Limited)

Notes forming part of the financial statements

1 Company information

Welspun Projects (Himmatnagar Bypass) Private Limited (Formerly known as MSK Projects (Himmatnagar Bypass) Private Limited), ('the Company') is domiciled and incorporated in India and is a wholly owned subsidiary company of Welspun Enterprises Limited. The Company is engaged into infrastructure development and on Build, Operate & Transfer (BOT) basis.

The financial statements of the Company are prepared for the year ended 01 April 2020 to 31 March 2021 and authorised for issue by the Board of Directors at their meeting held on 14 June 2021

2 Basis of preparation

(a) 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, 2015 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, thereof, except otherwise indicated.

(b) Current and non-current classification

Assets and liabilities are classified as current if it is expected to realise or settle within twelve months after the balance sheet date. Deferred tax assets and liabilities are classified as non-current.

3 Significant accounting policies

I. Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accrual basis except to the extent stated otherwise. Toll revenue from operations is recognised on an accrual basis which coincides with the collection of toll

Amount due in respect of the claim is recognized as revenue only when there are conditions stipulated in the contracts for such claims are evidenced inter-alia by way of confirmation by the customers.

a) Service Concession Arrangement:

The Company manages concession arrangement which includes toll road project. The Company maintains and services the infrastructure during the concession period. These concession arrangements set out rights and obligations related to the infrastructure and the service to be provided

The right to collect toll gives rise to an intangible asset and accordingly the intangible asset model is applied. Intangible Assets i.e. BOT Cost (Toll Collection right) is amortized/ written off over the concession period on the basis of written down value at the rate of 25%.

b) interest Income:

For all debt instruments measured at amortized cost and interest bearing financial assets classified as fair value through other comprehensive income, interest income is recognized using the effective interest rate (EIR). 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 is included in 'finance income' in the statement of profit and loss. Interest income on interest bearing financial assets classified as fair value through profit and loss is shown under other income.

c) Dividend income

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

II. Exceptional Item

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.

III. Property Plant & Equipments

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 financial year-end and adjusted prospectively, if appropriate



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iv. Intangible Assets

Since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its intangible assets as recognised in its previous GAAP financial statements as deemed cost at the transition date, viz., 1 April 2015

The right to collect toll gives rise to an intangible asset and accordingly the intangible asset model is applied. Intangible Assets i.e. BOT Cost (Toll Collection right) is amortized/ written off over the concession period on the basis of written down value at the rate of 25%.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss.

v. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the statement of profit and loss.

vi. Taxes on Income:

a). Current Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current taxes are recognized in profit or loss except to the extent that the tax relates to items recognized in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b). Deferred Tax

Deferred income tax is recognized on all temporary differences which are the differences between the carrying amount of an asset or liability in the statement of financial position and its tax base except when the deferred income tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of the transaction.

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

Deferred income tax is recognised on all temporary difference which are the difference between the carrying amount of and assets or liability on the statement of financial position and its tax based except when the deferred Income tax arises from the initial recognition of and assets or liability that effect neither accounting not taxable profit or loss at the time of the transaction.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.



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Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date and based on the tax consequence which will follow from the manner in which the Company expects, at financial year end, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to item recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liability and the deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum Alternate Tax (MAT) paid in accordance with tax laws, which give rise to future economic benefits in the form of adjustment of future tax liability, is recognized as an asset only when, based on convincing evidence, it is probable that the future economic benefits associated with it will flow to the Company and the assets can be measured reliably.

VII. Foreign Currency Transaction:

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 & Cash equivalent:

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.

IX. Earning 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. Provision, Contingent Liabilities & Contingent Assets

a). Provision

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.

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.

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity. Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. Contingent assets are disclosed if the inflow of economic benefits is probable.



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XI. Leases

For arrangements entered into prior to 1st April 2015 the Company has determined whether the arrangement contains lease on the basis of facts and circumstances existing on the date of transition.

Operating Lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lesser are classified as operating lease. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

XII. Financial Instrument:

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:

a). Initial recognition & 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.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

b). Subsequent measurement:

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

- i) Debt instruments measured at amortised cost
- ii) Debt instruments measured at fair value through other comprehensive income (FVTOCI)
- iii) Debt instruments measured at fair value through profit or loss (FVTPL)
- iv) Equity instruments measured at FVTOCI or FVTPL

c). Debt Instrument

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.

i) 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. Interest income from these financial assets is included in finance income using the effective interest rate method.

ii) 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. Interest income from these financial assets is included in finance income using the effective interest rate method.

iii) 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 group 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 group has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

iv) 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.



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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. 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)

The Company follows 'simplified approach' for impairment loss allowance on trade receivables.

Under the simplified approach, the Company does not track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

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.

D. 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:

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

i) Financial liabilities measured at amortised cost

After initial recognition, financial liability 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.



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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. Derivatives, including separated embedded derivatives are classified as held for trading unless they are designated as effective hedging instruments. Financial liabilities at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value recognized in finance income or finance costs 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) Investment in associates, joint venture and subsidiaries

The Company has accounted for its investment in associates, joint venture and subsidiaries at cost.

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.



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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.

i) Property, plant and equipment

Subsequent to initial recognition, 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.

ii) 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.

iii) 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 assets model, the amount due from the grantor meet the identification of the receivable which is measured at fair value. It is subsequently measured at amortized cost. The amount initially recognised plus the cumulative interest on that amount is calculated using the effective interest method. Any assets carried under concession arrangement 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 assets expire.

iv) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. All revenues are accounted on accrual basis except to the extent stated otherwise.



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a) Construction contract revenue

Revenue from construction contracts is recognised by applying percentage of completion method after providing for foreseeable losses, if any. Percentage of completion is determined as a proportion of the cost incurred up to the reporting date to the total estimated cost to complete. Foreseeable losses, if any, on the contracts is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of cost and related incidental income not included in contract revenue is taken into consideration. Contract is reflected at cost that are expected to be recoverable till such time the outcome of the contract cannot be ascertained reliably and at reliable value thereafter.

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) 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 under other income.

v) 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.

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 substantively 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.

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

vi) 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.



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vii) 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.

viii) 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.

ix) 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.

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.

x) 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

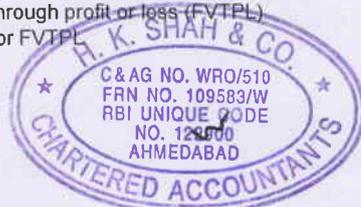
Initial recognition and measurement

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



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Notes forming part of the financial statements

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. Currently the Company doesn't have any financial assets classified under these category.

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) (iii) 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.

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. Currently the Company doesn't have any financial assets classified under these categories.

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.

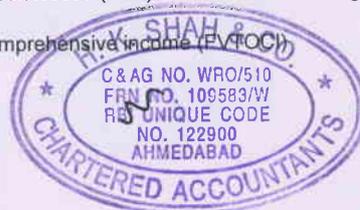
Reclassification of financial instruments

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.

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)



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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)

B. Financial liabilities

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.

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)

a) 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.

b) 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 statement of financial position at fair value with changes in fair value recognized in finance income or finance costs in the statement of profit and loss.

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.

xi) 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.



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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.

xii) 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.

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.

xiii) 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.

xiv) 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, judgements 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) 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 crystallising 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.

b) 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.

c) Taxes

i) The Company's tax charge is the sum of the total current and deferred tax charges. The calculation of the Company's total tax charge necessarily involves a degree of estimation and judgment in respect of certain items whose tax treatment cannot be finally determined until resolution has been reached with the relevant tax authority or, as appropriate, through a formal legal process.

ii) Accruals for tax contingencies require management to make judgments and estimates in relation to tax audit issues and exposures.

iii) The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered. Recognition therefore involves judgment regarding the future financial performance of the particular legal entity or tax Company in which the deferred tax asset has been recognized.



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Notes forming part of the financial statements

d) 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.

e) Recent pronouncements

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 standalone 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

4 (a) Property, plant and equipment and capital work-in-progress

	Toll Equipments	Vehicles	Office equipments	Computers	Furniture & Fixture	Total
Gross carrying amount (cost)						
As at 31 March 2019	18	2	0	0	1	21
Additions	-	-	-	-	-	-
Disposals	-	-	-	-	-	-
Transfer to assets held for sale	-	-	-	-	-	-
As at 31 March 2020	18	2	0	0	1	21
Additions	-	-	-	-	-	-
Disposals	18	-	0	0	0	19
Transfer to assets held for sale	-	-	-	-	-	-
As at 31 March 2021	-	2	0	0	0	2

	Toll Equipments	Vehicles	Office equipments	Computers	Furniture & Fixture	Total
Accumulated depreciation						
As at 31 March 2019	12	1	0	0	0	14
Additions during the year	1	0	0	-	0	1
Deletions during the period	-	-	-	-	-	-
Transfer to assets held for sale	-	-	-	-	-	-
As at 31 March 2020	13	1	0	0	0	16
Additions during the year	1	0	0	-	0	1
Deletions during the period	14	-	0	0	0	15
Transfer to assets held for sale	-	-	-	-	-	-
As at 31 March 2021	(0)	2	0	0	0	2

Net carrying amount as at 31 March 2020

Net carrying amount as at 31 March 2021



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Notes forming part of the financial statements

4 (b) Intangible Assets ::	(Amount in Lakhs)	
	Himmatnagar Bypass Projects	Total
Gross carrying amount (cost)	243	243
As at 31 March 2019	-	-
Additions	-	-
Disposals	243	243
As at 31 March 2020	-	-
Additions	243	243
Disposals	-	-
As at 31 March 2021	-	-
	Himmatnagar Bypass Projects	Total
As at 31/03/2019	166	166
Additions during the year	19	19
Deletions during the period	-	-
As at 31/03/2020	185	185
Additions during the year	58	58
Deletions during the period	243	243
As at 31/03/2021	-	-

Net carrying amount as at 31 March 2020

Net carrying amount as at 31 March 2021

58

58



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Notes forming part of the financial statements

6 Deferred tax Assets (net)	(Rs in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Depreciation	0	25
Total	0	25

7 Non-current tax assets (net)	As at	
	31 March 2021	31 March 2020
Balance with Government authorities		
- Direct tax (net of provision)	26	25
Total	26	25

8 Investments	As at	
	31 March 2021	31 March 2020
Quoted		
Investment in Bonds & Mutual Fund	0	360
Total	0	360
Agreegate book value of the Investments	0	360
Agreegate market value of the Investments	0	360

9 Trade Receivable	As at	
	31 March 2021	31 March 2020
Related Party	-	-
Others	-	13
Total	-	13

No trade or other receivable are due from Directors or other officer of the Company either severally or jointly with any other person, nor any trade or other receivable are due from firms or private Companies respectively in which any directors is partner, a director or member.

10 Cash and cash equivalents	As at	
	31 March 2021	31 March 2020
Balances with banks		
- In current accounts	3	99
Cash	-	3
Total	3	102

11 Bank balances other than (note - 10) above	As at	
	31 March 2021	31 March 2020
Balance with Banks		
Deposits account having original maturity of more than three months & less than 12 months	369	-
Total	369	-

12 Current financial assets - Loans	As at	
	31 March 2021	31 March 2020
(Unsecured considered good, unless otherwise stated)		
Security deposit	-	0
Total	-	0

13 Current financial assets - others	As at	
	31 March 2021	31 March 2020
(Unsecured considered good, unless otherwise stated)		
Advances recoverable in cash or kind	-	0
Total	-	0

14 Other current assets	As at	
	31 March 2021	31 March 2020
(Unsecured considered good, unless otherwise stated)		
Advance against goods and services	0	0
Total	0	0



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Notes forming part of the financial statements

15 Share capital and other equity

15(a) - Equity share capital

	(Rs in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Authorised capital		
2,50,000 (31 March 2020 2,50,000) equity shares of Rs 10 each	25	25
Issued, subscribed and paid up		
2,42,000 (31 March 2020 2,42,000) equity shares of Rs 10 each fully paid up	24	24
Total	24	24

i) Reconciliation of number of shares outstanding

	As at 31 March 2021		As at 31 March 2020	
	Number of equity shares	(Rs in lakhs)	Number of equity shares	(Rs in lakhs)
At the beginning of the period	242,000	24	242,000	24
Add : Issued during the year	-	-	-	-
Outstanding at the end of the period	242,000	24	242,000	24

ii) Rights, preference and restriction on shares

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

In the event of liquidation of the Company the holder of the equity share will be entitled to receive remaining assets of the Company after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

iii) Details of shares held by holding company

	As at 31 March 2021		As at 31 March 2020	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Welspun Enterprises Limited and its	242,000	100.00%	242,000	100.00%

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

	As at 31 March 2021		As at 31 March 2020	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Welspun Enterprises Limited and its	242,000	100.00%	242,000	100.00%

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.



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Notes forming part of the financial statements

15(b) - Other Equity

	(Rs in lakhs)	
	As at	As at
	31 March 2021	31 March 2020
Security Premium	209	209
Retained earnings	161	234
Total	370	443

(i) Security Premium

Opening balance	209	209
During the year	-	-
Closing balance	209	209

(ii) Retained earnings

Opening balance	234	725
Total comprehensive income for the year	(73)	180
Dividend including dividend distribution tax	-	(671)
Closing balance	161	234

Nature and purpose of reserves :-

Retained earnings

Retained earnings represent the profit made/ loss incurred by the Company for the period.



Welspun Projects (Himmatnagar Bypass) Private Limited
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	(Rs in lakhs)	
	As at 31 March 2021	As at 31 March 2020
16 Long term provision		
Provision for Employee benefits - refer note 29	-	11
- Gratuity	-	4
- Leave Encashment	-	-
Total	-	15
17 Current financial liability - borrowings		
Short term borrowing - related party - refer note 37	0	27
Total	0	27
18 Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	3	77
Total	3	77
19 Current financial liabilities - others		
Payable to employees	0	0
Total	0	0
20 Short Term Provisions		
Provision for Employee benefits - refer note 29	-	0
- Gratuity	-	0
- Leave Encashment	-	-
Total	-	1
21 Other current liabilities		
Statutory dues	1	3
Total	1	3



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Notes forming part of the financial statements

	(Rs in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
22 Revenue from operations		
Toll revenue	140	544
Total	140	544
23 Other income		
Interest income on financial assets at amortised cost		
- On bank deposits	2	4
- Others	-	0
Provision no longer required written back	11	-
Profit on sale of investments	15	18
Miscellaneous Income	0	-
Total	28	22
24 Sub-contracting costs		
Repair & maintenance of Road	83	99
Total	83	99
25 Employee benefit expenses		
Salaries and wages	39	85
Contribution to provident and other funds	4	8
Staff welfare	6	9
Total	49	102
26 Finance costs		
Interest expenses		
- Others	0	9
Other borrowing costs	0	1
Net defined benefit	(0)	1
Total	0	11
27 Depreciation and amortisation expense		
Depreciation on property, plant and equipment	1	1
Amortisation of intangible assets	58	19
Total	59	20



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Notes forming part of the financial statements

28 Other expenses

	Year ended 31 March 2021	Year ended 31 March 2020
Stores and spares consumed	0	-
Hire charges	1	3
Site expenses	3	9
Rent	1	2
Repairs and maintenance :-		
- Plant and machinery	-	0
- Others	1	2
Power, fuel and water charges	1	3
Legal and professional fees	8	6
Payment to Auditors :-		
- Audit fees	1	1
- Taxation matters	-	-
- Other services	-	-
Insurance costs	1	1
Rates and taxes	0	1
Communication expenses	0	0
• Printing and stationary	0	0
Travelling and conveyance expense	2	2
Donation	-	0
FVTPL Loss	2	57
Miscellaneous expenses	4	1
Total	25	89



MSKPROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED
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29 Disclosures pursuant to adoption of Ind AS 19 Employee Benefits

The present value of obligation is based on actuarial valuation using the projected unit credit method. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the act, employee who has completed five years of service is entitled to specific benefit. The benefit is based on final salary and service. The benefits of the scheme are paid, as and when, the employee leaves the employment.

The following tables summarises the components of net benefit expense recognised in the statement of profit or loss and the amounts recognised in the balance sheet for the respective plan:

Service Cost	(Amount in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Current service cost	-	2
Interest cost on benefit obligation	-	-
Net benefit expenses (recognised in profit and loss)	-	2

Expenses recognised during the year in other comprehensive income (OCI)

	(Amount in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	-	0
Actuarial (gains) / losses arising from changes in financial assumptions	-	1
Actuarial (gains) / losses arising from changes in experience assumptions	-	0
Net expenses	-	1

Net liability recognised in the balance sheet

	(Amount in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Present value of obligation	-	11
Liability recognized in balance sheet	-	11

Reconciliation of opening and closing balances of defined benefit obligation

	(Amount in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Defined benefit obligation as at the beginning of the year	11	8
Current service cost	-	1
Interest cost	-	2
Actuarial (gain) / loss on obligation	-	1
Liability transferred in/ (paid)	-	-
Benefits paid by the company	-	(1)
Provision no longer required written back	(11)	-
Defined benefit obligation at the end of the year	-	11

Reconciliation of opening and closing balance of plan assets

Fair value of plan assets at the Beginning of the Year	-	-
Actuarial gain/ (loss)	-	-
Benefit paid	-	-
Fair value of plan assets as at 31 March 2020	-	-

Net liability to be recognized in Balance Sheet

	(Amount in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Present value of obligation	-	11
Present value of plan assets	-	-
Liability Recognized in Balance Sheet	-	11

Reconciliation for other comprehensive income

	(Amount in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Net cumulative unrecognized actuarial (gain)/loss opening	-	-
Actuarial gain / (loss) for the year on PBO	-	(1)
Actuarial gain / (loss) for the year on Asset	-	-
Unrecognized actuarial gain/ (loss) at the end of the year	-	(1)



MSKPROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED
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A quantitative sensitivity analysis for significant assumption as at 31 March 2021 is as shown below:

	(Amount in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Impact of change in discount rate		
Present value obligation at the end of the period	-	11
Impact due to increase of 0.50%	-	(1)
Impact due to decrease of 0.50%	-	1
Impact of change in salary increase		
Present value obligation at the end of the period	-	11
Impact due to increase of 0.50%	-	1
Impact due to decrease of 0.50%	-	(1)

Sensitivities due to mortality & withdrawals are insignificant & hence ignored. Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

	(Amount in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Maturity Policy of Defined benefit obligation		
Year ended		
31-Mar-20	-	-
31-Mar-21	-	0.85
31-Mar-22	-	1.04
31-Mar-23	-	1.25
31-Mar-24	-	1.29
31-Mar-25	-	1.44

The average duration of defined benefit obligation is 8.81 years (Previous Year: 8)

The principal assumptions used in determining gratuity obligation are shown below:

	(Amount in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Economic assumptions		
Discount rate	0.00%	6.87%
Salary Escalation Rate	0.00%	6.00%
Demographic assumptions		
Mortality		Indian assured lives Mortality (2006-08)
Retirement Age		The employees retire at 60 years of age.
Attrition Rate		11% up to age 30, 4% up to age 44 and 1% thereafter

30 The ageing analysis of the receivables (gross of provision) has been considered from the date the invoice falls due.

	As at 31 March 2021	As at 31 March 2020
Up to 3 months	-	13
Total	-	13

31 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 includes within net debt, interest bearing borrowings, trade and other payables, less cash and cash equivalents.

	(Amount in Lakhs)	
	As at 31 March 2021	As at 31 March 2020
Borrowings	0	27
Trade payables	3	77
Less : Current Investments	(0)	(360)
Less : Cash and cash equivalents (incl other Bank balances)	(372)	(102)
Net Debt	(368)	(358)
Equity	24	24
Other equity	370	443
Total Capital	394	467
Capital and net debt	26	109
Gearing Ratio	-1414.61%	-329.69%



MSKPROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED
Notes forming part of the financial statements

32 (a) Fair value measurement:

Financial instruments by category

	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Current financial assets				
Investments	-	-	360	-
Trade receivable	-	-	-	13
Cash and cash equivalents	-	-	-	-
Other bank balance	-	3	-	102
Loans	-	369	-	-
Other advances	-	-	-	0
Total	-	0	-	0
Current financial liabilities				
Borrowings	-	372	360	116
Trade payables	-	0	-	27
Total	-	3	-	77
	-	4	-	104

(b) Fair value hierarchy

	Carrying amount as at	Fair value measurement
	31 March 2021	Level 1
Financial Instrument measured at FVTPL		
Investments	-	-
Total	-	-

	Carrying amount as at	Fair value measurement
	31 March 2020	Level 1
Financial Instrument measured at FVTPL		
Investments	360	360
Total	360	360

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

1. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which uses inputs that have a significant effect on the recorded fair value that are not based on observable market data.

2. The carrying amounts of loans, trade receivables, cash and cash equivalents, other bank balances, other financial assets, non-current and current borrowings, trade payables and other financial liabilities 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 Delhi Meerut Expressway Private Limited

Notes forming part of the financial statements

33 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 period	0	15
Deferred tax		
Relating to origination and reversal of temporary differences	25	-
MAT credit entitlement	-	(15)
Total tax expense	25	-

(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	(48)	75
At India's statutory income tax rate	(12)	15
MAT credit (taken)	-	(15)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Amortisation of intangibles	15	
Other items	(6)	
Tax losses and other adjustments for which no deferred income tax is recognised	28	-
Other non deductible expenses for tax purpose including tax rate difference		
Income tax expenses reported in the statement of profit and loss	25	-
(Refer Note 3 (A) (v) in Significant Accounting Policies)		

Since the Company is eligible for 100% tax holiday, tax expenses is recognised under MAT

(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 assets				
i) Deductible temporary differences	0	25	25	(4)
Total	0	25	25	(4)
Deferred tax charge/(credit)			25	(4)



MSKPROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED
Notes forming part of the financial statements

34 Contingent liabilities (to the extent not provided for)

There is no contingent liabilities as on 31st March 2021

35 Segment Information

The Company is engaged in one business segment i.e infrastructure development. The Company is operating in a single geographical segment i.e India

36 Earnings per share (EPS)

		(Rupees in Lakhs)	
		As at 31 March 2021	As at 31 March 2020
Net profit after tax available for equity shareholders	A	(73)	180
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating basic EPS (Number of shares)	B	242,000	242,000
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating diluted EPS (Number of shares)	C	-	-
Basic earnings per share	A/B	(30.10)	74.38
Diluted earnings per share	A/C	(30.10)	74.38

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

a) Particulars of Holding Company (Rupees in Lakhs)

Name of the entities	Extent of holding	
	As at 31 March 2021	As at 31 March 2020
Welspun Enterprises Limited	100%	100%

b) Directors / Key managerial Personnel (KMP)

Name of the Related Parties	
Mr. Sandeep Garg	Director
Mr. Harish Gupta	Director
Mr. Lalit Kumar Jain	Director
Ms. Jayanti Venkataraman #	Additional Director

Ceased to be Director with effect from 8 January 2021

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

Nature of transactions	(Amount in Lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Loan given during the year Welspun Enterprises Limited	230	992
Loan repaid during the year Welspun Enterprises Limited	256	965
Dividend paid Welspun Enterprises Limited	-	557
Corporate Gaurateen discharged for performance security Welspun Enterprises Limited	10	-

d) Closing Balances as at 31 March 2021

	As at 31 March 2021	As at 31 March 2020
Short term borrowing Welspun Enterprises Limited	0	27
Corporate Gaurateen outstanding for performance security Welspun Enterprises Limited	-	10

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.

38 On the basis of information available with the Company and intimation received from suppliers (Trade Payable and other payable), there are no dues payable as on 31 March 2021 (31 March 2020: Nil) to Micro, Small and Medium enterprises development act, 2006.

39 Reconciliation between opening & closing balance in the balance sheet for liabilities arising from financial activities as required by Ind AS 7 "Statement of cash flows as under"

	Equity Share Capital	Borrowings
As at 31 March 2020	24	27
Cash inflow	-	230
Cash outflow	-	(256)
As at 31 March 2021	24	1
	Equity Share Capital	Borrowings
As at 31 March 2019	24	27
Cash outflow	-	432
As at 31 March 2020	24	458



MSKPROJECTS (HIMMATNAGAR BYPASS) PRIVATE LIMITED
Notes forming part of the financial statements

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

- a) 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
b) There are no investments other than as disclosed forming part of the financial statements.

41 Estimation of uncertainty relating to COVID - 19 Outbreak

The Company, based on internal & external sources of information including market research, economic forecast and other information, has assessed that as a result of Covid-19 outbreak, there is no significant financial impact on the financial statements for the year ended March 31, 2021 as at the date of approval of these financial statements. Due to the nature of the pandemic, the Company will continue to monitor developments to identify significant uncertainties in future periods, if any.

42 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.

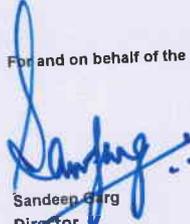
As per our report of even date attached.
For H.K. Shah & Co.
Chartered Accountants
Firm Registration No.: 109583W

CA Gopesh Shah
Partner
Membership Number 106204

Place: Ahmedabad
Date : 14 June 2021



For and on behalf of the Board of Directors


Sandeep Singh
Director
DIN : 00036419


Vishal Tandon
Director
DIN : 09036138

Place: Mumbai
Date : 14 June 2021

Place: Mumbai
Date : 14 June 2021