Chikhali-Tarsod Highways Private Limited

Balance Sheet as at 31 March 2022

(Rupees in lakhs)

	Notes	As at 31 March 2022	As at 31 March 2021
ASSETS			
1. Non-current assets			
(a) Financial assets			
(i) Service concession receivables	4	55,381	52,479
(b) Deferred tax assets (net)	5	329	131
(c) Non-current tax assets	6	557	438
(d) Other non-current assets	7	3,900	3,160
Total non-current assets		**60,167**	**56,208**
2. Current assets			
(a) Contract assets	8	-	1,311
(b) Financial assets			
(i) Cash and cash equivalents	9	38	15
(ii) Service concession receivables	10	9,295	3,215
(iii) Other financial assets	11	10	0
(c) Other current assets	12	2,645	2,591
Total current assets		**11,988**	**7,132**
Total assets		**72,155**	**63,340**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13a	100	100
(b) Instruments entirely equity in nature	13b	6,189	6,189
(c) Other equity	13c	64	(247)
Total equity		**6,353**	**6,042**
LIABILITIES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	51,138	40,135
(b) Other non current liabilities	15	-	3,159
Total non-current liabilities		**51,138**	**43,294**
2. Current liabilities			
(a) Contract liabilities	16	-	582
(b) Financial liabilities			
(i) Borrowings	17	11,952	5,730
(ii) Trade payables	18		
Total outstanding dues of micro enterprises and small		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,643	7,567
(c) Other current liabilities	19	69	125
Total current liabilities		**14,664**	**14,004**
Total equity and liabilities		**72,155**	**63,340**

Notes forming part of the financial statements **1 to 41**

As per our report of even date.

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

For and on behalf of the Board

Amit Kumar Kothari
Partner
Membership Number 222726

Jayanti Venkatraman
Director
DIN 01930389

Vinoo Sanjay
Director
DIN : 07470339

Place: Mumbai
Date: 11 May 2022

Place: Mumbai
Date: 11 May 2022

Chikhali-Tarsod Highways Private Limited

Statement of Profit and Loss for the year ended 31 March 2022

(Rupees in lakhs)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
Income			
Revenue from operations	20	19,885	27,605
Other income	21	4,880	4,163
Total income		**24,765**	**31,768**
Expenses			
Sub-contracting, civil and repair work	22	18,511	25,169
Finance costs	23	4,767	3,641
Other expenses	24	1,374	2,436
Total expenses		**24,652**	**31,246**
Profit before tax		**113**	**522**
Tax expense	25		
- Current tax		-	-
- Deferred tax charge /(credit)		(198)	197
Total tax expense		**(198)**	**197**
Profit after tax		**311**	**325**
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**311**	**325**
Earnings per equity share of Rs. 10 each fully paid-up	31		
Basic EPS (Rs)		31.11	32.51
Diluted EPS (Rs)		0.49	0.52
Notes forming part of the financial statements	**1 to 41**		

As per our report of even date.

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Director
DIN : 07470339

Place: Mumbai
Date: 11 May 2022

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Chikhali-Tarsod Highways Private Limited

Statement of changes in equity for the year ended 31 March 2022

A. Equity share capital

(Rs in lakhs)

(i) Current year	Balances as at 01 April 2021	Changes in equity share capital due to prior period errors	Restated balance as at 01 April 2021	Change in equity share capital during the year	Balance as at 31 March 2022
	100	-	100	-	100

(ii) Previous year	Balances as at 01 April 2020	Changes in equity share capital due to prior period errors	Restated balance as at 01 April 2020	Change in equity share capital during the year	Balance as at 31 March 2021
	100	-	100	-	100

B. Instruments entirely equity in nature (Rupees in lakhs)

	Amount
Balance as at 31 March 2020	**6,189**
Changes in equity share capital	-
Balances as at 31 March 2021	**6,189**
Changes in equity share capital	-
Balance as at 31 March 2022	**6,189**

C. Other equity (Rupees in lakhs)

	Attribute to owners of Chikhali-Tarsod Highways Private Limited	
	Retained earnings	Total
Balance as at 31 March 2020	**(572)**	**(572)**
Change in accounting policy or prior period errors	-	-
Restated Balance as at 01 April 2020	**(572)**	**(572)**
Profit for the year	325	325
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**325**	**325**
Balances as at 31 March 2021	**(247)**	**(247)**
Change in accounting policy or prior period errors	-	-
Restated Balance as at 01 April 2021	**(247)**	**(247)**
Profit for the year	311	311
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**311**	**311**
Balance as at 31 March 2022	**64**	**64**

Nature and purpose of reserves :-

Retained earnings

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

Notes forming part of the financial 1 to 41

As per our report of even date.

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

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DIN : 07470339

Place: Mumbai
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Chikhali-Tarsod Highways Private Limited

Statement of Cash Flows for the year ended 31 March 2022

(Rupees in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
Net profit/ (loss) before tax	113	522
Adjustments for		
Notional income from revenue from construction contract	(16,813)	(26,571)
Interest income on financial assets	(4,874)	(4,161)
Interest income from bank deposits	(6)	(1)
Interest income from income tax refund	-	(1)
Finance costs	4,767	3,641
Operating loss before working capital changes	**(16,813)**	**(26,571)**
Adjustments for		
Decrease/ (Increase) in current assets	16,854	24,284
Decrease/ (Increase) in other non-current assets	(3,642)	-
(Decrease)/ Increase in current financial liabilities	(4,924)	(3,191)
(Decrease)/ Increase in other liabilities	(3,797)	(5,255)
Cash Generated/ (used) from/ in operation	**(12,322)**	**(10,733)**
Direct taxes paid	(119)	(146)
Net cash flow from/ (used in) operating activities (A)	**(12,441)**	**(10,879)**
Cash flows from investing activities		
Interest income received	6	2
Net cash flow from/ (used in) investing activities (B)	**6**	**2**
Cash flows from financing activities		
Proceeds from long term borrowings	67,491	17,222
Repayment of long term borrowings	(54,002)	(6,195)
Proceeds from short term borrowings	3,867	4,238
Repayment of short term borrowings	(340)	(806)
Finance expenses paid	(4,558)	(3,680)
Net cash flow from/ (used in) in financing activities (C)	**12,458**	**10,779**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**23**	**(97)**
Cash and cash equivalents at the beginning of the year	15	112
Cash and cash equivalents at the end of the year	**38**	**15**

Notes:

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

Balances with banks in current accounts	38	15
Total cash and cash equivalents	**38**	**15**

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

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

Notes forming part of the financial statements **1 to 41**

As per our report of even date.

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

For and on behalf of the Board

Amit Kumar Kothari
Partner
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Place: Mumbai
Date: 11 May 2022

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DIN 01930389
Place: Mumbai
Date: 11 May 2022

Vinoo Sanjay
Director

DIN : 07470339

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

1 Company information

Chikhali-Tarsod Highways Private Limited, (‘the Company’) is domiciled and incorporated in India. The Company is joint arrangement between Welspun Enterprises Limited and Corbello Trading Private Limited. The Company is engaged into infrastructure development of Four laning of Chikhali – Tarsod (Package- IIA) section of NH-6 from km. 360.000 to km. 422.700 in the State of Maharashtra to be executed on Hybrid Annuity pattern under NHDP Phase IV on Hybrid Annuity model basis.

The financial statements of the Company are prepared for the year ended 1 April 2021 to 31 March 2022 and authorised for issue by the Board of Directors at their meeting held on 11 May 2022.

2 Basis of preparation

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

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

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

3 (A) Significant accounting policies

i) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

The Company classifies all other liabilities as non-current.
The Company has identified 12 months as its operating cycle.
Deferred tax assets and liabilities are classified as non-current assets and liabilities.

ii) Property, plant and equipment

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

Depreciation on property, plant and equipment is provided on written down value basis as per the rate derived on the basis of useful life and method prescribed under Schedule – II of the Companies Act, 2013.
The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each reporting date and adjusted prospectively, if appropriate.

iii) Impairment of non-financial assets

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

iv) Service concession arrangements

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

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

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

v) Revenue recognition

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

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

a) Construction contract revenue

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

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

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

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

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

d) Interest income
Interest income for all debt instruments, measured at amortised cost or fair value through other comprehensive income, is recognised using the effective interest rate ('EIR') method and shown under interest 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 as interest income under other income.

e) Contract Balances
Contract assets and contract liabilities
A contract asset is the right to consideration in exchange for goods or services transferred to the customer.

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

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

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

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

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

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

vi) Taxes on income

a) Current tax

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

b) Deferred tax

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

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

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

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

vii) Foreign currency transactions

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

viii) Cash and cash equivalents

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

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

ix) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares except when the results would be anti-dilutive.

x) Provisions, contingent liabilities and contingent assets

a) Provisions

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

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

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

b) Contingent liabilities and contingent assets

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

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

xi) Financial instruments

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

A. Financial assets

Initial recognition and measurement

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

Subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:
a) Debt instruments measured at amortised cost
b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)
c) Debt instruments measured at fair value through profit or loss (FVTPL)
d) Equity instruments measured at FVTOCI or FVTPL

Debt instruments

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

a) Debt instruments measured at amortised cost

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

b) Debt instruments measured at FVTOCI

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

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

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

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

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

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

B. Derecognition of financial assets
A financial asset is derecognised only when
i) The Company has transferred the rights to receive cash flows from the financial asset or
ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

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

D. Impairment of financial assets
The Company assesses impairment based on expected credit losses (ECL) model to the following:
i) Financial assets measured at amortised cost
ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

Expected credit losses are measured through a loss allowance at an amount equal to
i) the twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within twelve after the reporting date) or
ii) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

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

E. Financial liabilities

a) Initial recognition and measurement

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

b) Subsequent measurement

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

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

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

c) Derecognition

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

xii) Fair value measurement

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

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

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

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

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

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

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

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

xiii) Government grants

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

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

xiv) Borrowing costs

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

xv) Exceptional items

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

3 (B) Significant estimates, judgments and assumptions

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

a) Revenue from contracts with customers

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

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

b) Contingencies and commitments

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that have a low probability of 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.

c) Impairment testing

i. Judgment is also required in evaluating the likelihood of collection of customer debt after revenue has been recognised. This evaluation requires estimates to be made, including the level of provision to be made for amounts with uncertain recovery profiles. Provisions are based on historical trends in the percentage of debts which are not recovered, or on more detailed reviews of individually significant balances.

ii. Determining whether the carrying amount of these assets has any indication of impairment also requires judgment. If an indication of impairment is identified, further judgment is required to assess whether the carrying amount can be supported by the net present value of future cash flows forecast to be derived from the asset. This forecast involves cash flow projections and selecting the appropriate discount rate.

d) Taxes

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

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

e) Fair Value Measurement

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions (Refer note 26).

3 (C) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1, 2022,

Ind AS 103 – Reference to conceptual framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards ('Conceptual Framework') issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous contracts - costs of fulfilling a contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

(Rupees in lakhs)

		As at 31 March 2022	As at 31 March 2021
4	**Non current financial assets**		
	Service concession receivables	55,381	52,479
	Total	**55,381**	**52,479**
5	**Deferred tax assets (net)**		
	Deductible/Taxable difference on account of service concession	297	199
	Taxable difference on borrowings	(41)	(94)
	On unabsorbed tax losses	73	26
		329	**131**
6	**Non-current tax assets**		
	Balance with government authorities		
	- Direct tax	557	438
	Total	**557**	**438**
7	**Non-current assets - others**		
	Balance with government authorities		
	- Indirect tax (Refer note32(b))	3,900	3,160
	Total	**3,900**	**3,160**
8	**Contract assets**		
	Related parties (Refer note 34)	-	1,311
		-	**1,311**
9	**Cash and cash equivalents**		
	Balances with banks in current accounts	38	15
	Total	**38**	**15**
10	**Current financial assets- others**		
	Service concession receivables	9,295	3,215
	Total	**9,295**	**3,215**
11	**Other financial assets**		
	(Unsecured considered good, unless otherwise stated)		
	Security deposit	10	0
	Total	**10**	**0**
12	**Other current assets**		
	Advance to suppliers	-	9
	Balances with government authorities- Indirect taxes	2,638	2,582
	Prepaid expenses	4	0
	Other receivables	3	-
	Total	**2,645**	**2,591**

14 Non- current financial liabilities - Borrowings

(Rupees in lakhs)

	As at 31 March 2022	As at 31 March 2021
Secured		
Term loan from Bank	53,837	33,293
Term loan from Financial Institution	-	6,845
	53,837	**40,138**
Less: Current maturities of long term borrowings - (Refer note 17)	(2,699)	(3)
Total	**51,138**	**40,135**
Term loan from banks and financial institutions		
Axis Bank Limited	53,837	-
IndusInd Bank Limited	-	10,020
Karnataka Bank Limited	-	7,434
Indian Bank	-	5,572
Punjab National Bank	-	10,267
PTC India Financial Services Limited	-	6,845
	53,837	**40,138**

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

(A) Axis Bank Limited

Nature of security

(a) First Charge by way of hypothecation of all the fixed assets/ movable assets of the Company (other than Project assets; except those acquired out of free flow of the company in operation phase) and being informed from time to time to Lenders

(b) First charge on the Project's book debts, operating cash flows, receivables, commissions, revenues of whatsoever nature and wherever arising, present and future intangibles, goodwill, uncalled capital (present and future)

(c) First charge on Project's bank accounts, including but not limited to the escrow account opened in a designated bank, where all cash inflows from the Project shall be deposited and all proceeds shall be utilized in a manner and priority to be decided by the Lenders/Investors

(d) Assignment of all the Company's rights and interests under all the agreements related to the Project, letter of credit (if any), and guarantee or performance bond provided by any party for any contract related to the Project in favor of the Borrower;

(e) Substitution Agreement executed by Authority on behalf of the Lenders for the Facility;

(f) Assignment of all applicable insurance policies

(g) Pledge of 100% paid up equity share capital, preference share capital, OCCPS / OCCDs / quasi equity issued by Corbello Trading Private Limited. (free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any)), together with all accretions thereon at all times till 100% acquisition of borrower's equity shares by the Sponsor (" Sponsor", " Welspun Enterprises Limited") and after 100% acquisition of equity shares of borrower by Sponsor, 0% pledge of all instruments of Corbello Trading Private Limited.

Provided that, any enforcement of the pledge over shares shall be subject to Clause 5.3 and 7.1(k) of the Concession Agreement and the prior written approval of NHAI as provided therein.

(h) Pledge of 100% paid up equity share capital, preference share capital, OCCPS / OCCDs / NCDs/ quasi equity issued by the Borrower (free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any), together with all accretions thereon at all times till 100% acquisition of borrower's equity shares by the Sponsor and post acquisition of 100% equity shares of Borrower by Sponsor, pledge reduces to 51% (fifty one percent) of the paid up equity share capital, preference shares/ OCCPS / OCCDs / NCDs/ quasi equity issued by the Borrower and NDU on the balance 49% equity shares of the Borrower. (Pledge/ NDU will be in compliance with Banking Regulations Act).

Provided that, any enforcement of the pledge over shares shall be subject to Clause 5.3 and 7.l(k) of the Concession Agreement and the prior written approval of NHAl as provided therein

(i) Corporate Guarantee from Welspun Enterprise Limited backed by Board Resolution as per terms mentioned in Clause of the Term sheet.

Rate of interest : Repo + Spread per annum

Repayment terms

The loan is repayable in 28 half-yearly installments starting from May 2022 and ending in November 2035.
The borrowings have been utilised for the purpose it was raised.

(B) IndusInd Bank Limited, PTC India Financial Services Limited, Karnataka Bank Limited, Indian Bank, Punjab National Bank.

Nature of security

a) First mortgage and charge on all the borrower's immovable properties present and future except project assets.
b) First charge on all the borrower's tangible movable assets, including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other moveable assets, both present and future except the Project Assets.

c) A first charge over all accounts of the Company, including, the Escrow Account and the Sub- Accounts including DSRA and MMRA
d) A first charge on all intangible assets of the Company, including but not limited to Goodwill, rights, undertaking, intellectual property and uncalled capital present and future excluding the project Assets.

e) First assignment/charge (by way of hypothecation) as applicable by way security interest on:
i) all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents
ii) the right, title and interest of the Company in, to and under all the Clearances
iii) all the right, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents; and

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

f) Pledge of 99.92% shares of Corbello Trading Private Limited (48.94% from Welspun Enterprises Ltd and 50.98% from Vishvaraj Environment Private Limited) till Vishvaraj Substitution and post the same, the pledge would be 51%. At all times during the tenure of the Facility, 100% pledge of equity shares /OCCPs / OCCDs / quasi equity issued by Corbello to be provided.

g) Pledge of 99.92% shares of Company (48.94% from Welspun Enterprises Limited and 50.98% from Corbello Trading Private Limited) equity shares and other instruments infused such as NCD / OCCD/ Preference shares issued in lieu of equity till Vishvaraj Substitution. Post Vishvaraj Substitution, the equity shares pledged would be 51%. At all times during the tenure of the facility,100% pledge of OCCPs / OCCDs / quasi equity issued by Company to be provided.

h) Corporate Guarantee by the holding company "Welspun Enterprises Limited" till receipt of first full annuity or completion of Vishvaraj Substitution, whichever is later and to the satisfaction of Lenders.

Banks/ financial institutions name	**Rate of Interest**
IndusInd Bank Limited	At par with IndusInd Bank Rates
PTC India Financial Services Limited	IBL 1Y MCLR + 0.10%
Karnataka Bank Limited	1Y MCLR in line with induisnd bank rates
Indian Bank	1Y MCLR + 0.10% at par with induisnd bank rates
Punjab National Bank	1Y MCLR + 1.50 % in line with induisnd Bank rates

Repayments
During the current year, loan taken from IndusInd Bank Limited , PTC India Financial Services Limited , Karnataka Bank Limited, Indian Bank and Punjab National Bank has been repaid during the year. Further, in respect of loan repaid during the year to PTC India Financial Services Limited, satisfaction of charge is yet to be filed by the Company with the Registrar of Companies as no due certificate is yet to be received from the lender for the loan repaid during the year.

(Rupees in lakhs)

15 Other non-current liabilities	**As at 31 March 2022**	**As at 31 March 2021**
Statutory dues payable	-	3,159
	-	**3,159**
16 Contract liabilities		
Contract liabilities (Refer note 35)		
- Other parties	-	582
	-	**582**
17 Current financial liabilities - Borrowings		
Unsecured		
Borrowings from Related Party (Refer note- 34)		
Loan repayable on demand (Interest-free)	3,526	0
5,726,988 (31 March 2021 :5,726,988) 0% unsecured optionally convertible debentures of Rs 100 each fully paid up *	5,727	5,727
Secured		
Current maturities of long-term borrowings - (Refer note 14 for nature of security)**	2,699	3
Total	**11,952**	**5,730**

Terms and conditions of Optionally convertible debentures ('OCD')

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

** Current maturities of long-term debt includes accrued interest of Rs Nil lakhs (Previous year Rs 3 lakhs)

18 Trade payables

Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- related party (Refer note- 34)	2,604	7,538
- others	39	29
Total	**2,643**	**7,567**

Ageing schedule for the years ended as on 31 March 2022 and 31 March 2021 is as follows:

As at 31 March 2022

	Not Due	Outstanding for following periods from due date of payment				TOTAL
		< 1 year	1-2 years	2-3 years	> 3 years	
(i)Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises (including accrued liabilities)	1,036	1,579	28	0	-	2,643
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**1,036**	**1,579**	**28**	**0**	**-**	**2,643**

As at 31 March 2021

	Not Due	Outstanding for following periods from due date of payment				TOTAL
		< 1 year	1-2 years	2-3 years	> 3 years	
(i)Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises (including accrued liabilities)	5,083	2,484	-	-	0	7,567
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**5,083**	**2,484**	**-**	**-**	**0**	**7,567**

19 Other current liabilities

Statutory dues payable	69	125
Total	**69**	**125**

13 Share capital and other equity

13(a) - Equity share capital

(Rupees in lakhs)

	As at 31 March 2022	As at 31 March 2021
Authorised share capital		
1,000,000 (1,000,000 31 March 2021) equity Shares of Rs.10 each fully paid up	100	100
Total authorised share capital	**100**	**100**
Issued, subscribed and paid up equity share capital		
1,000,000 (1,000,000 31 March 2021) equity Shares of Rs.10 each fully paid up	100	100
Total issued, subscribed and paid up equity share capital	**100**	**100**

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

	As at 31 March 2022		As at 31 March 2021	
	Number of equity shares	(Rupees in lakhs)	Number of equity shares	(Rupees in lakhs)
At the beginning of the year	10,00,000	100	10,00,000	100
Add : Issued during the year	-	-	-	-
Outstanding at the end of the year	10,00,000	100	10,00,000	100

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. The dividend, in case proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation 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) Shares held by holding/ ultimate holding companies and / or their subsidiaries/ associates

	As at 31 March 2022		As at 31 March 2021	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Welspun Enterprises Limited and its nominees - coventurers	4,90,000	49.00%	4,90,000	49.00%
Corbello Trading Private Limited - coventurers	5,10,000	51.00%	5,10,000	51.00%

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

Welspun Enterprises Limited and its nominees - coventurers	4,90,000	49.00%	4,90,000	49.00%
Corbello Trading Private Limited - coventurers	5,10,000	51.00%	5,10,000	51.00%

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 2022.

13 Share capital and other equity

vi) Details of promoters shareholding

Name of promoters	As at 31 March 2022		
	Number of shares	% of total shares	% Change during the year
Welspun Enterprises Limited	4,89,995	49%	0%
Corbello Trading Private Limited	5,10,000	51%	0%
Devanshu Parekh (Nominee of Welspun Enterprises Limited)	1	0%	0%
Devendra Patil (Nominee of Welspun Enterprises Limited)	1	0%	0%
Shashikant Thorat (Nominee of Welspun Enterprises Limited)	1	0%	0%
Saji Padmanabhan (Nominee of Welspun Enterprises Limited)	1	0%	0%
Riddhi Patil & Devendra Patil (Nominee of Welspun Enterprises Limited)	1	0%	0%
Total	**10,00,000**	**100%**	

Name of promoters	As at 31 March 2021		
	Number of shares	% of total shares	% Change during the year
Welspun Enterprises Limited	4,89,995	49%	0%
Corbello Trading Private Limited	5,10,000	51%	0%
Devanshu Parekh (Nominee of Welspun Enterprises Limited)	1	0%	0%
Devendra Patil ((Nominee of Welspun Enterprises Limited)	1	0%	0%
Shashikant Thorat (Nominee of Welspun Enterprises Limited)	1	0%	0%
Saji Padmanabhan (Nominee of Welspun Enterprises Limited)	1	0%	0%
Riddhi Patil & Devendra Patil (Nominee of Welspun Enterprises Limited)	1	0%	0%
Total	**10,00,000**	**100%**	

(Rupees in lakhs)

13(b) - Instrument entirely equity in nature	As at 31 March 2022	As at 31 March 2021
Compulsorily convertible debentures ('CCD')		
6,188,600 (31 March 2021: 6,188,600) units of Rs 100 each, fully paid up *	6,189	6,189
Total	**6,189**	**6,189**

Terms and conditions of CCD

* Each debentures having face value of Rs 100 each shall be compulsorily convertible in to 10 equity shares of Rs 10 each fully paid at the end of the 5 years from the date of allotment or as mutually agreed before the end of the tenure.

13(c) - Other equity	As at 31 March 2022	As at 31 March 2021
Retained earnings		
As per last balance sheet	(247)	(572)
Total comprehensive income / (loss) for the year	311	325
Total	**64**	**(247)**

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

(Rupees in lakhs)

		Year ended 31 March 2022	Year ended 31 March 2021
20	**Revenue from operations**		
	Revenue from construction contract	18,709	26,571
	Revenue from utility	882	1,034
	Revenue from operation and maintenance	294	-
	Total	**19,885**	**27,605**
21	**Other income**		
	Interest income on financial assets carried at amortised cost		
	- On bank deposits	6	1
	- On financial assets	4,874	4,161
	- On income tax refund	-	1
	Total	**4,880**	**4,163**
22	**Sub-contracting, civil and repair work**		
	Sub-contracting, civil and repair work	18,511	25,169
	Total	**18,511**	**25,169**
23	**Finance costs**		
	Interest expenses on:-		
	- Term loans	4,378	3,183
	- Others	0	377
	Bank charges and other finance costs	389	81
	Total	**4,767**	**3,641**
24	**Other expenses**		
	Operation and maintenance expenses	294	-
	Project monitoring and maintenance expenses	18	21
	Power and fuel	14	-
	Rates and taxes	978	2,311
	Insurance	31	57
	Legal and professional fees	32	44
	Communications expenses	1	-
	Payment to auditors :-		
	Audit fees	3	2
	Other matters	-	1
	Miscellaneous expenses	3	0
	Total	**1,374**	**2,436**

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

25 Income tax

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

(Rupees in lakhs)

	As at 31 March 2022	As at 31 March 2021
Current tax		
Current tax on taxable income for the period	-	-
Deferred tax		
Ind AS adjustment	(198)	197
Income tax expense reported in the statement of profit and loss	**(198)**	**197**

(b) Reconciliation of tax expense and the accounting profit multiplied by tax rate

	As at 31 March 2022	As at 31 March 2021
Accounting profit before tax	113	522
At India's statutory income tax rate	28	131
Temporary difference on tax losses	(72)	(25)
Other allowances for tax purpose	(248)	(10)
Other non-deductible expenses for tax purpose	94	101
Income tax expenses reported in the statement of profit and	**(198)**	**197**

The applicable tax rate is the standard effective corporate income tax rate in India. The tax rate is 25.168% for the year ended 31 March 2022

(c) Deferred tax relates to the following:

	Balance Sheet		Recognized in the statement of profit and loss	
	As at 31 March 2022	As at 31 March 2021	31 March 2022	31 March 2021
Deferred tax asset				
Deductible/ Taxable difference on account of service concession	297	199	(98)	128
Taxable difference on borrowings	(41)	(94)	(53)	94
On unabsorbed tax losses	73	26	(47)	(25)
Total	**329**	**131**	**(198)**	**197**
Deferred tax expense /(credit)			**(198)**	**197**

26 a) Fair value measurements

Financial instruments by category (Rupees in lakhs)

	As at 31 March 2022		As at 31 March 2021	
	FVTPL	**Amortised Cost**	**FVTPL**	**Amortised Cost**
Financial assets				
Non-current assets				
Service concession receivables	-	55,381	-	52,479
Current assets				
Cash and cash equivalents	-	38	-	15
Other financial assets	-	10	-	0
Service concession receivables	-	9,295	-	3,215
Total financial assets	**-**	**64,724**	**-**	**55,709**
Financial liabilities				
Non-current liabilities				
Borrowings	-	51,138	-	40,135
Current liabilities				
Borrowings	-	11,952	-	5,730
Trade payables	-	2,643	-	7,567
Total financial liabilities	**-**	**65,733**	**-**	**53,432**

b) Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount 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.

1 Fair value of the cash and short term deposits and other short term receivables, trade payables, other current liabilities, and other financial instruments approximate their carrying amounts largely due to short term maturities of these

2 The carrying amounts of loans, 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.

27 Ratio Analysis and its elements

Ratios	Numerator	Denominator	Measure (In times/ percentage)	31-Mar-22	31-Mar-21	% variance	Reason for variance #
(a) Current Ratio (in times)	Current assets	Current laibilities	Times	0.82	0.51	60.52%	On account of increase in current assets
(b) Debt-equity ratio	Total debt [Non-current borrowings + Current borrowings]	Total Equiity	Times	9.93	7.59	30.83%	On account of increase in total debt
(c) Debt service coverage ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Debt service = Interest & Lease Payments + Principal Repayments	Times	0.08	0.40	-79.83%	On account of repayment of loans in F.Y. 2021-22
(d) Return on equity ratio	Profit after tax	Average of total equity	Percentage	5.02%	5.53%	-9.18%	-
(e) Inventory turnover ratio	Costs of materials consumed	Average inventories	Times	NA	NA	NA	-
(f) Trade receivables turnover ratio	Revenue from operations	Average trade receivables	Times	NA	NA	NA	-
(g) Trade payables turnover ratio	Subcontracting costs + other expenses	Average trade payables	Times	3.73	2.90	28.38%	On account of PCOD received by the company during the year.
(h) Net capital turnover ratio	Revenue from operations	Average Working capital [Current assets - Current liabilities]	Times	-4.17	-2.17	91.83%	On account of decrease in liabilities
(i) Net profit ratio	Profit after tax	Revenue from operations	Percentage	1.56%	1.18%	32.89%	On account of PCOD received by the company during the year.
(j) Return on capital employed	Earnings before depreciation and amortisation, interest and tax [Earnings = Profit after tax + Tax expense + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)]	Capital employed [Total assets - Current liabilities + Current borrowings]	Percentage	7.02%	8.01%	-12.28%	-
(k) Return on investment	NA	NA	NA	NA	NA	NA	-

The reason for variance are explained where it exceeds 25%. Further, ratios are computed based on the nature of industries/ operations and guidance note issued by Institute of Chartered Accountants of India.

28 Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the Managing Board. The Company is exposed to market risk, credit risk and liquidity risk.

A. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize Company's position with regard to interest income and interest expenses and manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instrument in its total portfolio.

(i) Interest rate risk exposure (Rupees in lakhs)

	As at 31 March 2022	As at 31 March 2021
Variable rate borrowings (excluding IndAS adjustments related to borrowings)	54,002	40,510

Interest rate sensitivity

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

(Rupees in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Interest rates : (Increase) by 50 basis points	(270)	(203)
Interest rates : Decrease by 50 basis points	270	203

Foreign Currency risk

Currency risk is the risk that the fair value or future cash flows fluctuate because of changes in market prices of various currencies against the functional currency. However, the Company is currently not exposed to foreign currency risk.

B. Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of accounts receivable. Individual risk limits are set accordingly.

a) Financial instruments and cash deposits

The Company considers factors such as track record, size of the institution, market reputation, financial strength / rating and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings.

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

	As at 31 March 2022	As at 31 March 2021
Service Concession Receivable		
Over one year	55,381	52,479
Less than one year	9,295	3,215
Total	**64,676**	**55,694**

C. Liquidity risk

a) Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

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Notes forming part of the financial statements

b) Exposure to liquidity risk

The table below summarises the maturity profile of the Company’s financial liabilities based on contractual undiscounted payments as at 31 March 2022

	Long term borrowings #	Short term borrowings	Trade Payables
Financial Liabilities			
Less than 1 year	2,699	9,253	2,643
Between 1 to 5 years	12,553	-	-
Beyond 5 years	38,750	-	-
Total	**54,002**	**9,253**	**2,643**

The table below summarises the maturity profile of the Company’s financial liabilities based on contractual undiscounted payments as at 31 March 2021

	Long term borrowings #	Short term borrowings	Trade Payables
Financial Liabilities			
Less than 1 year	3	5,727	7,567
Between 1 to 5 years	8,884	-	-
Beyond 5 years	31,623		
Total	**40,510**	**5,727**	**7,567**

excluding IndAS adjustments related to borrowings

29 Service concession receivables

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

30 Capital management

For the purpose of Company's capital management, capital includes issued capital and other equity reserves attributable to the shareholders. The primary objective of the Company's capital management is to maximize shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirements of the financial covenants, if any.

The Company monitors capital using 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.

		As at 31 March 2022	As at 31 March 2021
Net debt	A	65,764	57,283
Total Capital	B	6,353	6,041
Capital and net debt	C = A + B	72,117	63,324
Gearing ratio	**A / C**	**91%**	**90%**

31 Earnings per share (EPS) (Rupees in lakhs)

	As at 31 March 2022	As at 31 March 2021
Net profit after tax available for equity shareholders (Rs in lakhs)	311	325
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating basic EPS	10,00,000	10,00,000
Add : Effect of dilutions :-		
Compulsorily Convertible Debentures (number of shares)	6,18,86,000	6,18,86,000
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating diluted EPS	6,28,86,000	6,28,86,000
Basic earnings per share	31.11	32.51
Diluted earnings per share	0.49	0.52

32(a) Segment Information

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

32(b) Indirect tax of Rs 3,900 lakhs

Pertains to bonafide deposits under protest in respect of taxable value which will be built in future on the basis of milestone as per the Concession Agreement.

33 Collateral / security pledged

The Company has pledged following assets for borrowings

(Rupees in lakhs)

	As at 31 March 2022	As at 31 March 2021
Other current and non-current assets excluding balances with government authorities (direct and indirect tax)	64,714	57,019
Total assets pledged	**64,714**	**57,019**

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

a) Particulars of relationship

Name of the entities	Relationship	Extent of holding As at 31 March 2022	Extent of holding As at 31 March 2021
Welspun Enterprises Limited	Co-venturer	49.00%	49.00%
Corbello Trading Private Limited	Co-venturer	51.00%	51.00%

b) Fellow subsidiaries

Welspun Projects (Himmatnagar Bypass) Private Limited
Welspun Project (Kim Mandvi Corridor) Private Limited
Dewas Waterprojects Works Private Limited
Welspun Build-Tech Private Limited
Welspun Natural Resources Private Limited
ARSS Bus Terminal Private Limited
Grenoble Infrastructure Private Limited
DME Infra Private Limited
Welspun Sattanathapuram Nagapattinam Road Private Limited
Welspun Infraconstruct Private Limited
Welspun Road Infra Private Limited
Welsteel Enterprises Private Limited
Welspun Aunta-Simaria Project Private Limited
Welspun Infrafacility Private Limited
Welspun-Kaveri Infraprojects JV Private Limited

c) Directors / Key managerial Personnel (KMP)

Name of the Related Parties	
Mr. Vinoo Sanjay	Nominee Director
Mr. Rakesh Prasad	Nominee Director
Mr. Jitendra Jain ^^	Director
Mr. Lalit Jain @	Nominee Director
Mrs. Jayanti Venkataraman #	Nominee Director

^^ Appointed as director w.e.f. 09 July 2019 till 30 June 2020

@ Appointed as director w.e.f. 24 June 2020

Appointed as director w.e.f. 09 January 2021

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

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

(Rupees in lakhs)

Nature of transactions	Year ended 31 March 2022	Year ended 31 March 2021
Subcontracting, civil and repair work	**17,646**	**24,156**
Welspun Enterprises Limited	17,646	24,156
Expense from operation and maintenance	**294**	**-**
Welspun Enterprises Limited	294	-
Project monitoring and maintenance expenses	**18**	**21**
Welspun Enterprises Limited	18	21
Interest expenses on LC discounting	**-**	**235**
Welspun Enterprises Limited	-	235
Proceeds from short term borrowings	**3,867**	**4,238**
Welspun Enterprises Limited	3,867	4,238
Repayment of short term borrowings	**340**	**806**
Welspun Enterprises Limited	340	806
Mobilisation Advance repaid/adjusted	**1,311**	**3,012**
Welspun Enterprises Limited	1,311	3,012
Conversion of borrowing to optionally convertible debentures	**-**	**3,773**
Welspun Enterprises Limited	-	3,773
Bank guarantee given/ (discharged) by	**(1,048)**	**(5,241)**
Welspun Enterprises Limited	(1,048)	(5,241)

Closing balances as at

	As at 31 March 2022	As at 31 March 2021
Compulsorily Convertible Debentures	**6,189**	**6,189**
Welspun Enterprises Limited	3,095	3,095
Corbello Trading Private Limited	3,094	3,094
Optionally Convertible Debentures	**5,727**	**5,727**
Welspun Enterprises Limited	5,727	5,727
Mobilisation Advance given	**-**	**1,311**
Welspun Enterprises Limited	-	1,311
Trade payables	**2,604**	**7,538**
Welspun Enterprises Limited	2,604	7,538
Short term borrowings	**3,526**	**0**
Welspun Enterprises Limited	3,526	0
Bank guarantee outstanding	**-**	**1,048**
Welspun Enterprises Limited	-	1,048

During the earlier years, Welspun Enterprises Limited ('WEL') had given guarantee for Chikhali - Tarsod Highways Private Limited ('CTHPL') for its debt obligations to lenders, pursuant to which maximum exposure aggregates to Rs 3,986 lakhs (31 March 2021: Rs 14,986 lakhs)

All transactions with related parties are made on arm's length basis in the ordinary course of business.

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

A) Disaggregation of Revenue

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

B) Contract Balances

(Rupees in lakhs)

	As at 31 March 2022	As at 31 March 2021
Contract assets	-	1,311
Contract liabilities	-	582

36 Concession arrangements - main features

(i) Name of the concession : Chikhali – Tarsod Highway Package IIA

(ii) Description of arrangements : Four laning of Chikhali – Tarsod (Package- IIA) section of NH-6 from km. 360.000 to km. 422.700 in the State of Maharashtra to be executed on Hybrid Annuity pattern under NHDP Phase IV

(iii) Significant terms of arrangements : Period of Concession: 15 Years from COD. Construction Period: 910 days from Appointed Date

Remuneration: Annuity, Interest and O&M (Operation and Maintenance)
Investment grant from concession grantor: Yes
Infrastructure return to grantor at end of concession : Yes
Investment and renewal obligations: No
Re-pricing dates: Half Yearly for O&M
Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement

(iv) Financial Assets (Service concession receivables): Rs. In lakhs	**As at 31 March 2022**	**As at 31 March 2021**
Non-current	55,381	52,479
Current	9,295	3,215

As on 31 March 2022 the project is in operation phase.

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

The Company is engaged in the business of providing infrastructural facilities as specified under Schedule VI of the Companies Act 2013 (the 'Act') and hence the provisions of Section 186 of the Act related to loans/ guarantees given or securities provided are not applicable to the Company.

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

(Rupees in lakhs)

	Short term borrowings	**Long term borrowings**	**Compulsarily Convertible Debentures**	**Optionally Convertible Debentures**
As at 31 March 2021	0	40,138	6,189	5,727
Cash inflow	3,866	67,491	-	-
Cash outflow	(340)	(54,002)	-	-
Non-cash Items	-	210	-	-
As at 31 March 2022	**3,526**	**53,837**	**6,189**	**5,727**

(Rupees in lakhs)

	Short term borrowings	**Long term borrowings**	**Compulsarily Convertible Debentures**	**Optionally Convertible Debentures**
As at 31 March 2020	341	29,276	6,189	1,954
Cash inflow	4,238	17,222	-	-
Cash outflow	(806)	(6,389)	-	-
Non-cash Items	(3,773)	29	-	3,773
As at 31 March 2021	**0**	**40,138**	**6,189**	**5,727**

39 Other Statutory Information

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

(ii) The Company do not have any transactions with companies struck off during the year under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956

(iii) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period except as mentioned in note 14.

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) There are no transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

(vi) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender

(vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(viii) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.

(ix) The Company has not received any whistle blower complaints during the year.

(x) Utilization of borrowed fund and securities premium

(a) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(b) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(xi) The company has availed term loans (secured) which are project specific and does not warrant submission of quarterly information to banks/financial institutions.

40 Estimation of uncertainity relating to COVID - 19 Outbreak

COVID-19 pandemic has impacted the Company's operations partially during the year. With easing of lockdown, the Company's performance in the later part of the current year has improved progressively and we expect the momentum to continue with an overall improvement in Covid situation. The Company has assessed the impact of pandemic on its financial results/position based on the internal and external information available up to the date of approval of these financial results and expects to recover the carrying value of its assets.

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

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

As per our report of even date.

For MGB & Co LLP	**For and on behalf of the Board**	
Chartered Accountants		
Firm Registration Number 101169W/W-100035		
Amit Kumar Kothari	**Jayanti Venkatraman**	**Vinoo Sanjay**
Partner	Director	Director
Membership Number 222726		
	DIN 01930389	DIN : 07470339
Place: Mumbai	Place: Mumbai	
Date: 11 May 2022	Date: 11 May 2022	