**Welspun Delhi Meerut Expressway Private Limited**

**Balance Sheet as at 31 March 2022**

(Rs 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 | 32,113 | 38,158 |
| (ii) Other non-current financial assets | 5 | - | 2,941 |
| (b) Deferred tax assets (net) | 6 | - | 31 |
| (c) Non-current tax assets (net) | 7 | 295 | 224 |
| **Total non-current assets** | | **32,408** | **41,354** |
| **2. Current assets** | | | |
| (a) Financial assets | | | |
| (i) Current Investments | 8 | 4,939 | 1,069 |
| (ii) Cash and cash equivalents | 9 | 149 | 363 |
| (iii) Bank balances other than (ii) above | 10 | 27 | 26 |
| (iv) Service concession receivables | 11 | 6,611 | 2,805 |
| (v) Other financial assets | 12 | 971 | 409 |
| (b) Other current assets | 13 | 985 | 720 |
| **Total current assets** | | **13,682** | **5,392** |
| **Total assets** | | **46,090** | **46,746** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| (a) Equity share capital | 14a | 500 | 500 |
| (b) Instruments entirely equity in nature | 14b | 5,055 | 5,055 |
| (c) Other equity | 14c | 2,603 | 1,499 |
| **Total equity** | | **8,158** | **7,054** |
| **LIABILITIES** | | | |
| **1. Non-current liabilities** | | | |
| (a) Financial liabilities | | | |
| Borrowings | 15 | 33,704 | 36,367 |
| (b) Deferred tax liabilities (net) | 6 | 245 | - |
| **Total non-current liabilities** | | **33,949** | **36,367** |
| **2. Current liabilities** | | | |
| (a)Contract liability | 16 | 267 | 109 |
| (b) Financial liabilities | | | |
| (i) Borrowings | 17 | 2,786 | 2,692 |
| (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 | | 917 | 515 |
| (iii) Other financial liabilities | 19 | 1 | 1 |
| (c) Other current liabilities | 20 | 12 | 8 |
| **Total current liabilities** | | **3,983** | **3,325** |
| **Total equity and liabilities** | | **46,090** | **46,746** |

**Notes forming part of the financial statements** **1 to 43**

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

Place: Mumbai
Date : 11 May 2022

**Yogen Babulal Lal**
Director
DIN 01828376

**Lalit Kumar Jain**
Director
DIN : 08382081

Place: Mumbai
Date : 11 May 2022

**Welspun Delhi Meerut Expressway Private Limited**

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

(Rs in lakhs)

| | Notes | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 21 | 722 | 906 |
| Other income | 22 | 4,431 | 4,748 |
| **Total income** | | **5,153** | **5,654** |
| **Expenses** | | | |
| Finance costs | 23 | 4,109 | 4,478 |
| Other expenses | 24 | 798 | 1,128 |
| **Total expenses** | | **4,907** | **5,606** |
| **Profit before tax** | | **246** | **48** |
| **Income tax expense** | 25 | | |
| - Current tax | | 38 | 8 |
| - Deferred tax charge/(credit) | | 276 | (24) |
| **Profit/(Loss) for the year** | | **(68)** | **64** |
| **Other comprehensive income for the year** | | - | - |
| **Total comprehensive income for the year** | | **(68)** | **64** |
| **Earnings per equity share of Rs.10 each fully paid up** | 31 | | |
| Basic (Rs) | | (1.35) | 1.28 |
| Diluted (Rs) | | (1.35) | 0.12 |

**Notes forming part of the financial statements** **1 to 43**

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

**Yogen Babulal Lal**
Director
DIN 01828376

**Lalit Kumar Jain**
Director
DIN : 08382081

Place: Mumbai
Date : 11 May 2022

Place: Mumbai
Date : 11 May 2022

**Welspun Delhi Meerut Expressway Private Limited**

**Notes forming part of the financial statements**

**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 |
|---|---|---|---|---|---|
| | 500 | - | 500 | - | 500 |

| (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 |
|---|---|---|---|---|---|
| | 500 | - | 500 | - | 500 |

**B. Instruments entirely equity in nature** (Rs in lakhs)

| | |
|---|---|
| **Balance as at 31 March 2020** | **5,055** |
| Changes during the year | - |
| **Balance as at 31 March 2021** | **5,055** |
| Changes during the year | - |
| **Balance as at 31 March 2022** | **5,055** |

**C. Other equity** (Rs in lakhs)

| | Attributable to owners of Welspun Delhi Meerut Expressway Private Limited | |
|---|---|---|
| | Retained earnings | Total other equity |
| **Balance as at 31 March 2020** | **(323)** | **(323)** |
| Change in accounting policy or prior period errors | - | - |
| **Restated Balance as at 01 April 2020** | **(323)** | **(323)** |
| Profit for the year | 64 | 64 |
| On account of financial guarantee commission | 1,758 | 1,758 |
| **Total comprehensive income for the year** | **1,822** | **1,822** |
| **Balance as at 31 March 2021** | **1,499** | **1,499** |
| Change in accounting policy or prior period errors | - | - |
| **Restated Balance as at 01 April 2020** | **1,499** | **1,499** |
| Loss for the year | (68) | (68) |
| On account of financial guarantee commission | 1,172 | 1,172 |
| **Total comprehensive income for the year** | **1,104** | **1,104** |
| **Balance as at 31 March 2022** | **2,603** | **2,603** |

**Welspun Delhi Meerut Expressway Private Limited**

**Notes forming part of the financial statements**

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

Nature and purpose of reserves :-

**Retained earnings**

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

**Notes forming part of the financial statements** **1 to 43**

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** | **Yogen Babulal Lal** | **Lalit Kumar Jain** |
| Partner | Director | Director |
| Membership Number 222726 | DIN 01828376 | DIN : 08382081 |
| | | |
| Place: Mumbai | Place: Mumbai | |
| Date : 11 May 2022 | Date : 11 May 2022 | |

**Welspun Delhi Meerut Expressway Private Limited**

**Statement of cash flows for the year ended 31 March 2022**

(Rs in lakhs)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| **A. Cash flow from operating activities** | | |
| Profit before tax | 246 | 48 |
| **Adjustments for** | | |
| Interest income on financial assets | (4,223) | (4,432) |
| Gain on financial asset measured at Net gain on financial assets mandatorily measured at fair value through profit and loss ('FVTPL') | (186) | (119) |
| Finance costs | 4,109 | 4,478 |
| **Operating profit before working capital changes** | **(54)** | **(25)** |
| **Adjustments for :** | | |
| (Increase)/ Decrease of trade and other receivables | 5,609 | 6,548 |
| Increase/ (Decrease) of trade and other payables | 1,735 | 532 |
| **Cash used in operating activities** | **7,290** | **7,055** |
| Less: Direct taxes paid | (109) | 632 |
| **Net cash used in operating activities** | **7,181** | **7,687** |
| **B. Cash flow from investing activities** | | |
| Interest income received on financial assets | 27 | 93 |
| Gain on sale of current investments | 30 | 136 |
| Purchase of current investment | (6,269) | (7,744) |
| Proceeds from sale of investment | 2,555 | 9,885 |
| (Increase) / Decrease in other bank balances | 2,939 | (2,941) |
| **Net Cash inflow from/ (outflow) from investing activities** | **(718)** | **(571)** |
| **C. Cash flow from financing activities** | | |
| Repayment of long-term borrowings | (2,552) | (2,332) |
| Proceeds from short-term borrowings | 1,542 | 2,095 |
| Repayment of short-term borrowings | (1,542) | (3,603) |
| Finance costs paid | (4,125) | (3,392) |
| **Net cash inflow from/ (outflow) from financing activities** | **(6,677)** | **(7,232)** |
| **Net increase / (decrease) in cash and cash equivalents** | **(214)** | **(116)** |
| Cash and cash equivalents at the beginning of the year | **363** | 479 |
| **Cash and cash equivalents at the end of the year** | **149** | **363** |

Notes :

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

(Rs in lakhs)

| | | |
|---|---|---|
| Balances with banks in current accounts | 149 | 363 |
| | **149** | **363** |

(Rs in lakhs)

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.

**Notes forming part of the financial statements** **1 to 43**

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** | **Yogen Babulal Lal** | **Lalit Kumar Jain** |
| Partner | Director | Director |
| Membership Number 222726 | DIN 01828376 | DIN : 08382081 |
| | | |
| Place: Mumbai | Place: Mumbai | |
| Date : 11 May 2022 | Date : 11 May 2022 | |

**Welspun Delhi Meerut Expressway Private Limited**

**Notes forming part of the financial statements**

## 1. Company information

Welspun Delhi Meerut Expressway 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 of Delhi Meerut Expressways from Km 0.00 to Km 27.50 including 6/8 laning of NH-24 from Km 0.00 to Km 49.346 (Haspur by-pass) in state of Delhi and Uttar Pradesh, Pakage - I from Km 0.00 to exising Km 8.36 in state of Delhi on Hybrid Annuity Model.

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 on a half yearly basis for 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 method ('EIR') and shown under interest income in the statement of profit and loss. EIR is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. Interest income on interest bearing financial assets classified as fair value through profit and loss is shown as interest income under other income.

**e) Contract Balances**

**Contract assets and contract liabilities**

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

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

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

**f) 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.

**g) 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.

**h) 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').

**i) 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.

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.

**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**

**a) 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.

**b) 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.

**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. Income from these financial assets is included in interest 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. 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.

**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 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.

**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.

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.

**B. Derecognition of financial assets**

A financial asset is derecognised only when

i) The Company has transferred the rights to receive cash flows from the financial asset or

ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

**C. Reclassification of financial instruments**

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

**D .Impairment of financial assets**

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

i) Financial assets measured at amortised cost

ii) Financial assets measured at fair value through other comprehensive income (FVTOCI)

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

i) the twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within twelve after the reporting date) or

ii) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

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

**E. Financial liabilities**

**a) Initial recognition and measurement**

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

**b) Subsequent measurement**

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

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

**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 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) 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. Borrowing cost includes amortisation of the value of financial guarantee contract provided by the parent company to lenders on behalf of the Company.

**xv) Exceptional items**

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

**3 (B) Significant estimates, judgments and assumptions**

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

**a) Revenue from contracts with customers**

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

i. determination of stage of completion;

ii. estimation of total contract costs;

iii. estimation of total contract revenue, including recognising revenue on contract variations and claims only to the extent it is highly probable that a significant reversal in the amount recognised will not occur in the future;

iv. estimation of project completion date; and

v. assumed levels of project execution productivity.

**b) Contingencies and commitments**

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

**c) Impairment testing**

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

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

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

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

**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.

**Welspun Delhi Meerut Expressway Private Limited**

**Notes forming part of the financial statements**

(Rs in lakhs)

| | | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| **4** | **Non current financial assets** | | |
| | Service concession receivables | 32,113 | 38,158 |
| | **Total** | **32,113** | **38,158** |
| **5** | **Non-current financial assets - others** | | |
| | Balances with banks | | |
| | - Deposit Accounts having original maturity of more than twelve months - towards DSRA obligation | - | 2,941 |
| | | **-** | **2,941** |
| **6** | **Deferred tax assets/ (liabilities) (net)** | | |
| | MAT credit entitlement | 127 | 89 |
| | Taxable temporary difference on account of service concession | (371) | (56) |
| | Taxable temporary difference on account of fair valuation | (1) | (2) |
| | | **(245)** | **31** |
| **7** | **Non-current tax assets (net)** | | |
| | Balances with government authorities | | |
| | - Direct tax (net of provision) | 295 | 224 |
| | **Total** | **295** | **224** |
| **8** | **Current financial assets - Investments** | | |
| | Investment in Mutual Funds* | - | 1,069 |
| | Investment in Bonds* | 4,939 | - |
| | **Total** | **4,939** | **1,069** |
| | * towards DSRA obligation | | |
| **9** | **Cash and cash equivalents** | | |
| | Balances with banks | | |
| | - In current accounts | 149 | 363 |
| | **Total** | **149** | **363** |
| **10** | **Bank balances (other than 9 above)** | | |
| | Balances with banks | | |
| | - Held as security with government authority | 27 | 26 |
| | **Total** | **27** | **26** |
| **11** | **Current financial assets** | | |
| | Service concession receivables | 6,611 | 2,805 |
| | **Total** | **6,611** | **2,805** |
| **12** | **Current financial assets - others** | | |
| | (Unsecured considered good, unless otherwise stated) | | |
| | Security deposit | 34 | 34 |
| | Other receivables | | |
| | - Related party - (Refer note - 35) | 937 | 375 |
| | **Total** | **971** | **409** |
| **13** | **Other current assets** | | |
| | (Unsecured considered good, unless otherwise stated) | | |
| | Advance against goods and services | | |
| | - Related party - (Refer note - 35) | 229 | - |
| | -Others | 7 | 1 |
| | Prepaid expenses | 603 | 612 |
| | Balances with government authorities - Indirect taxes | 145 | 107 |
| | **Total** | **985** | **720** |

## 14 Equity

(Rs in lakhs)

| 14(a) - Equity share capital | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **Authorised share capital** | | |
| 5,000,000 (31 March 2021 5,000,000) equity shares of Rs 10 each | 500 | 500 |
| **Total authorised equity share capital** | **500** | **500** |
| | | |
| **Issued, subscribed and paid up equity share capital** | | |
| 5,000,000 (31 March 2021 5,000,000) equity shares of Rs 10 each fully paid up | 500 | 500 |
| **Total issued, subscribed and paid up equity share capital** | | |
| **Total** | **500** | **500** |

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

| | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---|---|---|---|
| | Number of equity shares | (Rs in lakhs) | Number of equity shares | (Rs in lakhs) |
| **At the beginning of the year** | 50,00,000 | 500 | 50,00,000 | 500 |
| Add : changes during the year | - | - | - | - |
| **Outstanding at the end of the year** | **50,00,000** | **500** | **50,00,000** | **500** |

**ii) Rights, preference and restriction on equity 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) Details of shares held by holding company | 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 | 50,00,000 | 100.00% | 50,00,000 | 100.00% |

| iv) Details of shareholders holding more than 5% shares in the Company | 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 | 50,00,000 | 100.00% | 50,00,000 | 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 2022.

**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 | 49,99,994 | 100% | 0% |
| Sandeep Garg (Nominee of Welspun Enterprises Limited) | 1 | 0% | 0% |
| Devendra Patil (Nominee of Welspun Enterprises Limited) | 1 | 0% | 0% |
| Yogen Lal (Nominee of Welspun Enterprises Limited) | 1 | 0% | 0% |
| Lalit Jain (Nominee of Welspun Enterprises Limited) | 1 | 0% | 0% |
| Priya Pakhare (Nominee of Welspun Enterprises Limited) | 1 | 0% | 0% |
| Rakesh Prashad (Nominee of Welspun Enterprises Limited ) | 1 | 0% | 0% |
| **Total** | **50,00,000** | **100%** | |

## 14 Equity

| Name of promoters | As at 31 March 2021 | | |
|---|---|---|---|
| | Number of shares | % of total shares | % Change during the year |
| Welspun Enterprises Limited | 49,99,994 | 100% | 0% |
| Sandeep Garg (Nominee of Welspun Enterprises Limited) | 1 | 0% | 0% |
| Devendra Patil (Nominee of Welspun Enterprises Limited) | 1 | 0% | 0% |
| Yogen Lal (Nominee of Welspun Enterprises Limited) | 1 | 0% | 0% |
| Lalit Jain (Nominee of Welspun Enterprises Limited) | 1 | 0% | 0% |
| Priya Pakhare (Nominee of Welspun Enterprises Limited) | 1 | 0% | 0% |
| Rakesh Prashad (Nominee of Welspun Enterprises Limited ) | 1 | 0% | 0% |
| **Total** | **50,00,000** | **100%** | |

(Rs in lakhs)

| **14(b) - Instrument entirely equity in nature** | **As at 31 March 2022** | **As at 31 March 2021** |
|---|---|---|
| Compulsorily convertible debentures ('CCD')<br>2,155,000 (31 March 2021 : 2,155,000) units of Rs 100 each, fully paid up * | 2,155 | 2,155 |
| Optionally convertible debentures ('OCD')<br>2,900,000 (31 March 2021 : 2,900,000) 0% unsecured optionally convertible debentures of Rs 100 each fully paid up # | 2,900 | 2,900 |
| **Total** | **5,055** | **5,055** |

**Terms and conditions**

* Each unsecured debentures shall be compulsorily convertible into 10 equity shares of Rs 10 each of the Company at the end of the tenure i.e 5 years from the date of allotment or as mutually agreed before the end of the tenure and the same doesn’t carry any interest.

# Each debenture having face value of Rs 100 each shall be convertible at the option of the holder at any time during the tenure of the debentures into 10 equity shares of Rs 10 each. If the debentures are not redeemed within 18 years from the date of issue, the debentures will be mandatorily converted into equity shares. Debentures shall be redeemable at the option of the Issuer, any-time after a period of 3 months from the date of issue but not later than 18 years. If redeemed after a period of 2 years from the date of issue, the redemption amount shall be the aggregate of the Issue price and premium equivalent to 15% of the aggregate of present value of Free Cash Flow for Equity (FCFE) and cash balance, if any of the Issuer. Before redeeming the OCDs, the issuer shall give option to holder to convert the OCDs in to equity by issuing 15 day’s notice thereto. If the holder does not opt for converting, the issuer shall redeem within 7 days of the expiry of the notice period.

| **14(c) - Other Equity** | **As at 31 March 2022** | **As at 31 March 2021** |
|---|---|---|
| As per last balance sheet | 1,499 | (323) |
| On financial gurantee commission | 1,172 | 1,758 |
| Total comprehensive income/ (loss) for the year | (68) | 64 |
| **Total** | **2,603** | **1,499** |

(Rs in lakhs)

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **15 Non- current borrowings** | | |
| **Secured** | | |
| Term Loans from banks | 36,490 | 39,058 |
| Less : Current maturities of long term borrowings disclosed under 'Financial liabilities- Borrowings' Refer note - 17 | (2,786) | (2,691) |
| **Total** | **33,704** | **36,367** |

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

**Axis Bank, Bank of Maharashtra, Indian Bank**

**i) Nature of security**

(i) First pari passu charges on all tangible moveable assets including moveable plant & machineries, machinery spares, tools & accessories, furniture & fixture, vehicles and other movable assets both present & future.

(ii) First charge on all accounts of the Company, including the escrow accounts and sub accounts and all funds from time to time, deposited therein.

(iii) First charge in all intangible assets, if any including but not limited to, operating cash flows, receivables, commissions, revenues, goodwill rights, undertaking intellectual property and uncalled capital present & future excluding

(iv) a charge/ assignment by way of hypothecation in;

(a) all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Agreements including Concession Agreement

(b) the right, title and interest of the Company in, to and under all the Applicable Permits;

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

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

(e) Assignment of applicable insurance policies. Substitution Agreement executed by Authority on behalf of lenders for the facility

(v) Pledge over 30% of the equity share capital of the Company till the facility is entirely repaid.

(vi) an irrevocable and unconditional guarantee from the holding company.

(vii) pledge by the holding company of compulsory convertible debentures issued by the Company.

**ii) Repayment terms**

**a) Rate of interest** :

Axis Bank: 6 month MCLR plus 0.42% p.a.

Bank of Maharashtra: 1 year MCLR plus 0.52% p.a.

India Bank: 6 month MCLR plus 0.52% p.a.

**b) Tenure**

Term loans are repayable in half yearly installments starting from 2019 and ending in 2032.

| **16 Contract liabilities** | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| Contract liabilities | | |
| - others | 267 | 109 |
| | **267** | **109** |
| **17 Current financial liabilities - borrowings** | | |
| **Secured** | | |
| Current maturities of long term borrowings - (Refer Note - 15)* | 2,786 | 2,692 |
| **Total** | **2,786** | **2,692** |

* Includes interest accrued but not due Rs 122 lakhs (31 March 2021 Rs 138 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 - 35) | 858 | 462 |
| - Others | 59 | 53 |
| **Total** | **917** | **515** |

**Ageing schedule for the year ended as on 31 March 2022**

(Rs in lakhs)

| | | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|
| | Not due | < 1 year | 1-2 years | 2-3 years | > 3 years | Total |
| (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) | 160 | 755 | - | 2 | 0 | 917 |
| (iii) Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| (iv) Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| **Total** | **160** | **755** | **-** | **2** | **0** | **917** |

**Ageing schedule for the year ended as on 31 March 2021**

| | | Outstanding for following periods from due date of payment | | | | |
|---|---|---|---|---|---|---|
| | Not due | < 1 year | 1-2 years | 2-3 years | > 3 years | Total |
| (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) | 481 | 11 | 23 | 0 | 0 | 515 |
| (iii) Disputed dues of micro enterprises and small enterprises | - | - | - | - | - | - |
| (iv) Disputed dues of creditors other than micro enterprises and small enterprises | - | - | - | - | - | - |
| **Total** | **481** | **11** | **23** | **0** | **0** | **515** |

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **19 Current financial liabilities - others** | | |
| Retention money payable | 1 | 1 |
| **Total** | **1** | **1** |
| **20 Other current liabilities** | | |
| Statutory dues payable | 12 | 8 |
| **Total** | **12** | **8** |

(Rs in lakhs)

| | | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|---|
| **21** | **Revenue from operations** | | |
| | Engineering, Procurement and Construction (EPC) | 114 | 468 |
| | Revenue from operation and maintenance | 540 | 438 |
| | Revenue from utility | 69 | - |
| | **Total** | **722** | **906** |
| **22** | **Other income** | | |
| | Interest income on financial assets carried at amortised cost | | |
| | - On financial assets | 4,196 | 4,339 |
| | - On bank deposits | 23 | 16 |
| | - On current investments | 1 | - |
| | - On income tax refund | - | 74 |
| | - On Others | 3 | 3 |
| | Net gain on financial assets mandatorily measured at fair value through profit and loss | 186 | 119 |
| | Insurance income | 22 | 198 |
| | **Total** | **4,431** | **4,748** |
| **23** | **Finance costs** | | |
| | Interest expenses on financial liabilities at amortised cost | | |
| | - Term loans | 2,931 | 3,281 |
| | - Others | 1 | 0 |
| | Financial guarantee commission | 1,172 | 1,172 |
| | Other borrowing costs | 5 | 25 |
| | **Total** | **4,109** | **4,478** |
| **24** | **Other expenses** | | |
| | Utility expenses | 67 | - |
| | Operation and maintenance expenses | 540 | 610 |
| | Sub-contracting expenses | 133 | 468 |
| | Project monitoring and maintenance fees | 2 | - |
| | Rates and taxes | 40 | 29 |
| | Insurance | 0 | 2 |
| | Travelling and conveyance expense | - | 0 |
| | Legal and professional fees | 6 | 12 |
| | Directors sitting fees | - | 0 |
| | Payment to Auditors :- | | |
| | - Audit fees (including fees for limited review) | 7 | 7 |
| | - Certifications | 3 | 0 |
| | Miscellaneous expenses | 0 | 0 |
| | **Total** | **798** | **1,128** |

## 25 Income tax

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

(Rs in lakhs)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| **Current tax** | | |
| Current tax on taxable income for the year (MAT) | 38 | 8 |
| **Deferred tax** | | |
| Ind AS adjustment | 314 | (16) |
| MAT credit entitlement | (38) | (8) |
| **Total tax expense** | **314** | **(16)** |

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

(Rs in lakhs)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Accounting profit/ (loss) before tax | 246 | 48 |
| At India's statutory income tax rate | 68 | 13 |
| **Tax effect of amount which are not taxable in calculating taxable income :** | | |
| Other allowances for tax purpose | (14) | (77) |
| MAT credit (taken) | (38) | (8) |
| Other non deductible expenses for tax purpose including tax rate difference | 297 | 55 |
| **Income tax expenses reported in the statement of profit and loss** | **314** | **(16)** |

### (c) Deferred tax assets / (liabilities) net - relates to the following:

(Rs in lakhs)

| | Balance Sheet | | Recognized in the statement of profit and loss | |
|---|---|---|---|---|
| | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| **Deferred tax assets / (liabilities)** | | | | |
| MAT credit entitlement | 127 | 89 | (38) | (8) |
| Less: Taxable temporary difference | (372) | (58) | 314 | (16) |
| **Deferred tax charge - Total** | **(245)** | **31** | **276** | **(24)** |

**26 a) Fair value**

On comparison by class of the carrying amounts and fair value of the Company's financial instruments, the carrying amounts of the financial instruments reasonably approximates fair value.

**Financial instruments by category** (Rs 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 | - | 32,113 | - | 38,158 |
| Other financial assets | - | - | - | 2,941 |
| **Current assets** | | | | |
| Investments | 4,939 | - | 1,069 | - |
| Cash and cash equivalents | - | 149 | - | 363 |
| Service concession receivables | - | 6,611 | - | 2,805 |
| Loans | - | 27 | - | 26 |
| Other financial assets | - | 971 | - | 409 |
| **Total financial assets** | **4,939** | **39,871** | **1,069** | **44,702** |
| | | | | |
| **Financial liabilities** | | | | |
| **Non-current liabilities** | | | | |
| Borrowings | - | 33,704 | - | 36,367 |
| **Current liabilities** | | | | |
| Trade payables | - | 917 | - | 515 |
| Borrowings | - | 2,786 | - | 2,692 |
| Other financial liabilities | - | 1 | - | 1 |
| **Total financial liabilities** | **-** | **37,408** | **-** | **39,575** |

**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.

(Rs in lakhs)

| | Carrying amount | Fair value measurement | | |
|---|---|---|---|---|
| | **As at 31 March 2022** | **Level 1** | **Level 2** | **Level 3** |
| Current investments- Bonds | 4,939 | - | 4,939 | - |
| | **Carrying amount** | **Fair value measurement** | | |
| | **As at 31 March 2021** | **Level 1** | **Level 2** | **Level 3** |
| Current investments- Mutual Funds | 1,069 | 1,069 | - | - |

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, service concession 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.

**27 Ratio Analysis and its elements**

| Ratios | Numerator | Denominator | Measure (In times/ percentage) | Year ended 31 March 2022 | Year ended 31 March 2021 | % variance | Reason for variance # |
|---|---|---|---|---|---|---|---|
| (a) Current Ratio (in times) | Current assets | Current laibilities | Times | 3.44 | 1.62 | 111.86% | On account of increase in current assets |
| (b) Debt-equity ratio | Total debt [Non-current borrowings + Current borrowings] | Total Equiity | Times | 4.47 | 5.54 | -19.22% | - |
| (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 | 0.52 | 0.60 | -12.34% | - |
| (d) Return on equity ratio | Profit after tax | Average of total equity | Percentage | -0.89% | 1.04% | -185.39% | On account of loss in F.Y. 2021-22 |
| (e) Inventory turnover ratio | Costs of materials consumed | Average inventories | Times | Not applicable | Not applicable | Not applicable | - |
| (f) Trade receivables turnover ratio | Revenue from operations | Average trade receivables | Times | Not applicable | Not applicable | Not applicable | - |
| (g) Trade payables turnover ratio | Subcontracting costs + other expenses | Average trade payables | Times | 1.02 | 3.68 | -72.21% | On account of decrease in other expenses and increase in trade payables |
| (h) Net capital turnover ratio | Revenue from operations | Average Working capital [Current assets - Current liabilities | Times | 0.12 | 0.35 | -64.52% | On account of decrease in revenue and increase in working capital |
| (i) Net profit ratio | Profit after tax | Revenue from operations | Percentage | -9.37% | 7.07% | -232.54% | On account of loss in F.Y. 2021-22 |
| (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 | 9.67% | 9.80% | -1.30% | - |
| (k) Return on investment | Income generated from invested funds | Average invested funds in treasury investments | Percentage | 6.21% | 5.53% | 12.44% | - |

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

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

### A. Market risk

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

**a) Interest rate risk**

This refers to risk to Company's cash flow and profits on account of movement in market interest rates.
For the Company the interest risk arises mainly from interest bearing borrowings which are at floating interest rates. To mitigate interest rate risk, the Company closely monitors market interest.

**(i) Interest rate risk exposure** (Rs in lakhs)

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| Variable rate borrowings (excludes accrued interest but not due Rs 122 lakhs (31 March 2021 Rs 138 lakhs) | 36,368 | 38,920 |

**(ii) Interest rate sensitivity**

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

| Effect on Profit before tax | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| Interest rates : Increase by 50 basis points | (182) | (195) |
| Interest rates : Decrease by 50 basis points | 182 | 195 |

### B Credit risk

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. The Company’s maximum exposure to credit risk for the components of the balance sheet is the carrying amounts.

The carrying amount of following financial assets represents the maximum credit exposure:

(Rs in lakhs)

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **Service concession receivables** | | |
| Over one year | 32,113 | 38,158 |
| Less than one year | 6,611 | 2,805 |
| **Total** | **38,723** | **40,963** |

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

### C Liquidity risk

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

**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**

(Rs in lakhs)

| Financial Liabilities | Long term borrowings | Trade payables | Other financial liabilities |
|---|---|---|---|
| Less than 1 year | 2,786 | 917 | 1 |
| Between 1 to 5 years | 12,436 | - | - |
| Beyond 5 years | 21,268 | - | - |
| **Total** | **36,490** | **917** | **1** |

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

(Rs in lakhs)

| Financial Liabilities | Long term borrowings | Trade payables | Other financial liabilities |
|---|---|---|---|
| Less than 1 year | 2,692 | 515 | 1 |
| Between 1 to 5 years | 11,658 | - | - |
| Beyond 5 years | 24,709 | - | - |
| **Total** | **39,058** | **515** | **1** |

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

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

(Rs in lakhs)

| | | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| Net Debt | A | 37,537 | 39,329 |
| Total Capital | B | 8,158 | 7,054 |
| Capital and net debt | C = A + B | 45,695 | 46,382 |
| **Gearing Ratio** | **A / C** | **82.15%** | **84.79%** |

**31 Earnings per share (EPS)**

(Rs in lakhs)

| | | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| Net profit/ (loss) after tax available for equity shareholders | A | (68) | 64 |
| Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating basic EPS (Number of shares) | B | 50,00,000 | 50,00,000 |
| Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating diluted EPS (Number of shares) | C | 5,55,50,000 | 5,55,50,000 |
| Basic earnings per share | A/ B | (1.35) | 1.28 |
| Diluted earnings per share * | A/C | (1.35) | 0.12 |

* Compulsorily convertible debentures are anti-dilutive and ignored in the calculation of Diluted earnings per share for the current year

**32 Contingent liabilities (to the extent not provided for)**

Nil

**33 Collateral / security pledged**

The Company has pledged following assets for borrowings (Rs in lakhs)

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| Other current and non-current assets excluding investments and both direct and indirect taxes | 40,081 | 41,762 |
| **Total assets pledged** | **40,081** | **41,762** |

**34 Segment information**

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

**35 Disclosure as required by Ind AS 24 - Related Party disclosures**

**a) Holding company**

Welspun Enterprises Limited

**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)**

| | |
|---|---|
| Mr. Devendra Patil ^ | Director |
| Mr. Lalit Jain @ | Director |
| Mrs. Amita Karia * | Director |
| Mr. Rakesh Prashad | Director |
| Mr. Jitendra Jain ^^ | Director |
| Mrs. Aruna Sharma % | Director |
| Mr. Yogen Babulal Lal | Director |
| Ms. Priya Pakhare # | Company Secretary |

@ Appointed w.e.f. 25 June 2020
^^ Appointed w.e.f. 09 July 2019 till 30 June 2020
% Appointed w.e.f. 19 March 2020 and till 14 August 2020
# Ceased to be Company Secretary w.e.f. 23 October 2020
* Ceased to be Director w.e.f. 01 October 2020
^ Devendra Patil Resigned w.e.f June 14, 2021

**d) Related party transactions** (Rs in lakhs)

| | Year ended 31 March 2022 | Year ended 31 March 2021 |
|---|---|---|
| **Sub-contracting cost** | | |
| Welspun Enterprises Limited | 133 | 468 |
| **Project monitoring and maintenance fees** | | |
| Welspun Enterprises Limited | 2 | - |
| **Operation and maintenance expenses** | | |
| Welspun Enterprises Limited | 540 | 610 |
| **Short term borrowings** | | |
| Welspun Enterprises Limited | 1,542 | 2,095 |
| **Trade advance given** | | |
| Welspun Enterprises Limited | 562 | - |
| **Borrowings repaid/ adjusted** | | |
| Welspun Enterprises Limited | 1,542 | 3,603 |
| **Directors sitting fees paid/ provided** | | |
| Mrs. Amita Karia | - | 0 |
| Mrs. Aruna Sharma | - | 0 |

**Closing balances as at** (Rs in lakhs)

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **Compulsorily convertible debentures** | | |
| Welspun Enterprises Limited | 2,155 | 2,155 |
| **Optionally convertible debentures** | | |
| Welspun Enterprises Limited | 2,900 | 2,900 |
| **Trade payables** | | |
| Welspun Enterprises Limited | 858 | 462 |
| **Other receivables** | | |
| Welspun Enterprises Limited | 937 | 375 |
| **Advance against goods and services** | | |
| Welspun Enterprises Limited | 229 | - |
| **Performance guarantee outstanding** | | |
| Welspun Enterprises Limited | 4,323 | 4,323 |

**Note**

During the earlier years, the Welspun Enterprises Limited ("WEL") has given an undertaking to lenders for debt availed by the Company, pursuant to which maximum exposure of WEL aggregates to Rs 2,038 lakhs (31 March 2021 Rs 4,028 lakhs)

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.

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

**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.

**37 Concession arrangements - main features**

| | |
|---|---|
| (i) Name of the concession : | Delhi Meerut Express Way Package-1 (NHAI) |
| (ii) Description of arrangements : | Development of Delhi Meerut Expressways from Km 0.00 to Km 27.50 including 6/8 laning of NH-24 from Km 0.00 to Km 49.346 (Haspur by-pass) in state of Delhi and Uttar Pradesh, Pakage - I from Km 0.00 to exising Km 8.36 in state of Delhi on Hybrid Annuity Model |

| | |
|---|---|
| (iii) Significant terms of arrangements : | Period of Concession: 15 Years from COD. Construction Period: 910 days from Appointed Date 28.11.2016 |
| | Remuneration: Annuity, Interest and O&M |
| | Investment grant from concession grantor: Yes |
| | Infrastructure return to grantor at end of concession: Yes |
| | Investment and renewal obligations: No |
| | Re-pricing dates: Half Yearly for O&M |
| | Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement |

| (iv) Financial assets (Service concession receivables) :(Rs in lakhs) | **As at 31 March 2022** | **As at 31 March 2021** |
|---|---|---|
| a) Current | 6,611 | 2,805 |
| a) Non Current | 32,113 | 38,158 |

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

**38** On the basis of the information available with the Company and intimations received from suppliers (Trade payables and Other payables), there are no dues payable as on 31 March 2022 (31 March 2021 :Rs Nil) to Micro, Small and Medium Enterprises as per the disclosure requirement under the Micro, Small and Medium Enterprises Development Act, 2006.

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

(Rs in lakhs)

| | **Compulsorily convertible debentures** | **Optionally convertible debentures** | **Long term borrowings** | **Short term borrowings** |
|---|---|---|---|---|
| **As at 31 March 2021** | **2,155** | **2,900** | **39,058** | **-** |
| Cash inflows | - | - | - | 1,542 |
| Cash outflows | - | - | (2,690) | (1,542) |
| **Non-cash items :** | | | | |
| Interest accrued | - | - | 122 | - |
| **As at 31 March 2022** | **2,155** | **2,900** | **36,490** | **-** |

(Rs in lakhs)

| | **Compulsorily convertible debentures** | **Optionally convertible debentures** | **Long term borrowings** | **Short term borrowings** |
|---|---|---|---|---|
| **As at 31 March 2020** | **2,155** | **2,900** | **41,476** | **2,168** |
| Cash inflows | - | - | - | 2,095 |
| Cash outflows | - | - | (2,639) | (3,603) |
| **Non-cash items :** | | | | |
| a) Interest accrued | - | - | 138 | - |
| b) Others | - | - | 83 | (661) |
| **As at 31 March 2021** | **2,155** | **2,900** | **39,058** | **-** |

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

The Company is engaged in the business of providing infrastructural facilities as specified under Schedule VI of the Companies Act 2013 (the 'Act') and hence the provisions of Section 186 of the Act related to loans/ guarantees given or securities provided are not applicable to the Company. There are no investments other than disclosed in note 8 are made by the Company during the year.

**41 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

(iv) The Company has 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.

**42 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.

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

As per our report of even date
**For MGB & Co LLP**
Chartered Accountants
Firm Registration Number 101169W/W-100035

**For and on behalf of the Board**

**Amit Kumar Kothari**
Partner
Membership Number 222726

Place: Mumbai
Date : 11 May 2022

**Yogen Babulal Lal**
Director
DIN 01828376

**Lalit Kumar Jain**
Director
DIN : 08382081

Place: Mumbai
Date : 11 May 2022