Welspun Infrafacility 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) Intangible assets	4	1,76,816	-
(b) Intangible assets under development	4A	-	1,33,919
(c) Financial assets			
(i) Other financial assets	5	337	-
(d) Non-current tax assets (net)	6	-	12
		1,77,153	**1,33,931**
2. Current assets			
(a) Contract assets	7	4,424	9,212
(b) Financial assets			
(i) Current investments	8	3,034	-
(ii) Trade receivables	9	1,131	45
(iii) Cash and cash equivalents	10	90	3,085
(vi) Other financial assets	11	79	39
(c) Other current assets	12	1,795	547
		10,553	**12,928**
Total assets		**1,87,706**	**1,46,859**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13	2,419	1,865
(b) Instrument entirely equity in nature	13	14,039	14,039
(c) Other equity	13	17,997	13,788
		34,455	**29,692**
LIABILITIES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	14	1,08,494	77,726
(b) Provisions	15	2	-
(c) Deferred tax liabilities (net)	16	7	8
		1,08,503	**77,734**
2. Current liabilities			
(a) Contract liabilities	17	1,941	4,049
(i) Borrowings	18	31,373	16,376
(ii) Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		10,960	17,953
(iii) Other financial liabilities	20	1	-
(c) Provisions	21	0	-
(d) Other current liabilities	22	441	1,055
(e) Current tax liabilities	23	32	-
		44,747	**39,433**
Total equity and liabilities		**1,87,706**	**1,46,859**

Notes forming part of the financial statements (Refer note 1 to 48)

As per our report of even date

For H. K. Shah & Co.
Chartered Accountants
Firm Registration Number 109583W

CA Gopesh K. Shah
Partner
Membership Number 106204

Place: Ahmedabad
Date: 11 May 2022

For and on behalf of the Board

Yogen Babulal Lal
Director
DIN : 01828376

Jayanti Venkatraman
Director
DIN 01930389

Anil Kumar Birla
Chief Financial Officer

Place: Mumbai
Date: 11 May 2022

Welspun Infrafacility Private Limited

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

(Rupees in lakhs)

	Note	Year ended 31 March 2022	Year ended 31 March 2021
Revenue from operations	24	41,460	62,933
Other income	25	170	-
Total income		**41,630**	**62,933**
Expenses			
Subcontracting expenses	26	37,972	58,032
Finance costs	27	1	0
Employee benefits costs	28	26	-
Other expenses	29	3,462	4,901
Total expenses		**41,462**	**62,933**
Profit before tax		**168**	**(0)**
Income tax expense	30		
- Current tax		54	-
- Deferred tax (benefit)/ charge		(0)	8
Profit/(loss) for the year		**114**	**(8)**
Other comprehensive income for the year		**-**	**-**
Total comprehensive income for the year		**114**	**(8)**
Earnings per equity share of Rs. 10 each fully paid-up	**33**		
Basic EPS (Rs)		0.48	(0.12)
Diluted EPS (Rs)		0.07	(0.12)*

Notes forming part of the financial statements (Refer note 1 to 48)

As per our report of even date

For H. K. Shah & Co.
Chartered Accountants
Firm Registration Number 109583W

CA Gopesh K. Shah
Partner
Membership Number 106204

Place: Ahmedabad
Date: 11 May 2022

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Yogen Babulal Lal
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DIN 01930389

Anil Kumar Birla
Chief Financial Officer

Place: Mumbai
Date: 11 May 2022

Welspun Infrafacility Private Limited

Statement of changes in equity for the period 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
	1,865	-	1,865	553	2,419

(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
	1	-	1	1,864	1,865

B. Instrument entirely equity in nature

	Amount
Balance as at 31 March 2020	**-**
Changes during the period	14,039
Balances as at 31 March 2021	**14,039**
Changes during the year	-
Balances as at 31 March 2022	**14,039**

C. Other Equity

	Retained earnings	Securities Premium	Total other equity
Balance as at 31 March 2020	**(0)**	**-**	**(0)**
Change in accounting policy or prior period errors	-	-	-
Restated Balance as at 01 April 2020	**(0)**	**-**	**(0)**
Loss for the period	(8)	13,796	13,788
Other comprehensive income	-	-	-
Total comprehensive income for the period	(8)	13,796	13,788
Balances as at 31 March 2021	**(8)**	**13,796**	**13,788**
Change in accounting policy or prior period errors	**-**	**-**	**-**
Restated Balance as at 01 April 2021	**(8)**	**13,796**	13,788
Profit for the year	114	4,096	4,210
Other comprehensive income	-	-	-
Total comprehensive income for the year	114	4,096	4,210
Balances as at 31 March 2022	**106**	**17,891**	**17,997**

Nature and purpose of reserves :-

Retained earnings

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

As per our report of even date attached.

For H. K. Shah & Co.
Chartered Accountants
Firm Registration Number 109583W

CA Gopesh K. Shah
Partner
Membership Number 106204

Place: Ahmedabad
Date: 11 May 2022

For and on behalf of the Board

Yogen Babulal Lal
Director
DIN : 01828376

Jayanti Venkatraman
Director
DIN 01930389

Anil Kumar Birla
Chief Financial Officer

Place: Mumbai
Date: 11 May 2022

Welspun Infrafacility Private Limited

Statement of Cash Flow for the period ended 31 March 2022

(Rupees in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
Net Profit before tax and exceptional items	168	(0)
Adjustments for		
Finance cost	1	0
Net gain on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	(56)	-
Interest Income from bonds	(88)	-
Revenue from construction contract	(40,117)	(62,808)
Provision for employee benefit expenses	2	-
Operating Profit before working capital changes	**(40,090)**	**(62,808)**
Decrease/ (Increase) in Non- current and current assets	42,194	53,001
(Decrease)/ Increase in Non-current and current liabilities	(16,403)	16,364
Cash Generated/ (used) from/ in Operation	**(14,299)**	**6,557**
Tax Paid (net)	(11)	(12)
Net cash flow from/ (used in) operating activities (A)	**(14,310)**	**6,545**
Cash flows from investing activities		
Decrease/(Increase) in intangible asset under development	16,655	(74,368)
Purchase of investments	(2,978)	-
Interest Income from bonds	88	
Net cash flow from/ (used in) investing activities (B)	**13,765**	**(74,368)**
Cash flows from financing activities		
Proceeds from short term borrowings	20,419	44,861
Repayment of short term borrowings	(1,970)	(486)
Proceeds from long term borrowings	-	26,532
Repayment of long term borrowing	(20,898)	-
Finance cost paid	(1)	-
Net cash flow from/ (used in) in financing activities (C)	**(2,450)**	**70,907**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(2,995)**	**3,084**
Cash and cash equivalents at the beginning of the year	3,085	1
Cash and cash equivalents at the end of the year	**90**	**3,085**
Components of cash and cash equivalents		
Cash and cash equivalent	90	3,085
Total cash and cash equivalents	**90**	**3,085**

Notes forming part of the financial statements (Refer note 1 to 48)

As per our report of even date attached.

For H. K. Shah & Co.
Chartered Accountants
Firm Registration Number 109583W

CA Gopesh K. Shah
Partner
Membership Number 106204

Place: Ahmedabad
Date: 11 May 2022

For and on behalf of the Board

Yogen Babulal Lal
Director
DIN : 01828376

Jayanti Venkatraman
Director
DIN 01930389

Anil Kumar Birla
Chief Financial Officer

Place: Mumbai
Date: 11 May 2022

1 Company information

Welspun Infrafacility 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 Eight laning of Mukarba Chowk Panipat section of National Highway - 1 (New NH-44) from km. 15.500 to km. 86.000 in the State of Haryana through Public Private Partnership (PPP) on Design, Build, Finance, Operate and Transfer basis (DBFOT).

The financial statements of the Company are prepared for the period ended 01 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, 2015 and other relevant provisions of the Act and rules framed thereunder.

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

The financial statements are presented in Indian rupees (INR) with values rounded off to the nearest lakhs, 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) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

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

The amortisation expense on intangible assets is recognised in the statement of profit and loss on staight line method ('SLM') basis starting from the date when the right to operate starts to be used till the end of duration of the concession.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

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 A to Ind AS 11 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. 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. 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.

An intangible asset is measured at the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered. Refer not 3(A)(ii) for amortisation policy.

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 method and shown under interest income in the statement of profit and loss.

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.

iv) 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.

v) 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.

vi) 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.

vii) 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.

viii) 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 occurence or non occurence 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.

ix) 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. Currently the Company doesn’t have any financial assets classified under these category.

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

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

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

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss. Currently the Company doesn't have any financial assets classified under these categories.

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

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

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)

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

Subsequent measurement
For the purposes of subsequent measurement, financial liabilities are classified in two categories:
a) Financial liabilities measured at amortised cost
b) Financial liabilities measured at FVTPL (fair value through profit or loss)

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

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

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

x) 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.

xi) 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.

xii) 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.

xiii) Exceptional items

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

3 (B) Significant estimates, judgements and assumptions

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

a) Contingencies and commitments

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

b) Impairment testing

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

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

c) Taxes

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

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

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

d) Fair Value Measurement

A number of Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

-Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly(i.e. prices) or indirectly (i.e. derived from prices).

-Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of a fair value hierarchy, then the fair value measurement is categorized in its entirely in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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 Infrafacility Private Limited

Notes forming part of the condensed interim financial statements

(Rupees in lakhs)

4	**Intangible asset**	
	Gross carrying amount (cost)	
	As at 31 March 2020	**-**
	Additions	-
	As at 31 March 2021	**-**
	Capitalization of Intangible asset during the year	1,76,816
	Additions	-
	Disposals/ written off	-
	As at 31 March 2022	**1,76,816**
	Accumulated Amortisation	
	Upto 31 March 2020	**-**
	Additions	-
	Upto 31 March 2021	**-**
	Additions	
	As at 31 March 2022	**-**
	Net carrying amount as at 31 March 2022	**1,76,816**
	Net carrying amount as at 31 March 2021	**-**

(Rupees in lakhs)

4A	**Intangible assets under development**	
	Gross carrying amount (cost)	
	As at 31 March 2020	**-**
	Additions	1,33,919
	Disposals/ written off	-
	As at 31 March 2021	**1,33,919**
	Additions	42,897
	Capitalization of Intangible asset during the year	(1,76,816)
	As at 31 March 2022	**-**
	Accumulated Amortisation	
	As at 31 March 2020	**-**
	Additions	-
	As at 31 March 2021	**-**
	Additions	-
	As at 31 March 2022	**-**
	Net carrying amount as at 31 March 2022	**-**
	Net carrying amount as at 31 March 2021	**1,33,919**

(Rupees in lakhs)

5 Non-current financial assets - others

	As at 31 March 2022	As at 31 March 2021
Balances with banks		
- Deposit Accounts having original maturity of more than twelve months - towards DSRA obligation	337	-
Total	**337**	**-**

6 Non-current tax assets (net)

Balances with government authorities		
- Direct tax (net of provision)	-	12
	-	**12**

7 Contract assets

Contract assets		
- Related party (Refer note 37)	4,424	9,212
	4,424	**9,212**

8 Current financial assets - Investments

Investment in Bonds*	3,034	-
* towards DSRA obligation	**3,034**	**-**

9 Trade receivable

(Unsecured considered good unless otherwise stated)		
Trade receivables	1,131	45
	1,131	**45**

Ageing schedule for the year ended as on 31 March 2022

		Outstanding for following periods from due date of payment					
	Not Due	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**TOTAL**
(i) Undisputed Trade Receivables - considered good	-	995	126	10	-	-	**1,131**
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables - Credit Impaired							**-**
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	**-**

Ageing schedule for the year ended as on 31 March 2021

		Outstanding for following periods from due date of payment					
	Not Due	**Less than 6 months**	**6 months - 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**TOTAL**
(i) Undisputed Trade Receivables - considered good	35	10	-	-	-	-	**45**
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	**-**
(iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	**-**
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-	**-**
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	**-**
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	**-**

10	**Cash and cash equivalents**		
	Balances with banks in current accounts	90	3,085
	Total	**90**	**3,085**
11	**Current financial assets - others**		
	(Unsecured considered good, unless otherwise stated)		
	Security deposit	79	39
		79	**39**
12	**Other Current Assets**		
	(Unsecured considered good, unless otherwise stated)		
	Balances with government authorities - Indirect taxes	1,605	446
	Advance against goods and services	185	27
	Prepiad expenses	5	74
	Total	**1,795**	**547**

13 Share capital and other equity

13(a) - Equity share capital

(Rupees in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised share capital		
25,000,000 (31 March 2021: 25,000,000) Equity Shares of Rs.10 each	2,500	2,500
Issued, subscribed and paid up		
24,187,381 (31 March 2021: 18,652,857) Equity Shares of Rs.10 each fully paid up	2,419	1,865
Total	**2,419**	**1,865**

Terms/ rights attached to equity shares
The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholder in the ensuing Annual General Meeting.

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

(i) Details of shares held by holding company

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% Holding	Number of shares	% Holding
Welspun Enterprises Limited and its nominees	2,41,87,381	100.00%	1,86,52,857	100.00%

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

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	% Holding	Number of shares	% Holding
Welspun Enterprises Limited and its nominees	2,41,87,381	100.00%	1,86,52,857	100.00%

(iii) Reconciliation of the number of shares outstanding and the amount of the share capital

(Rupees in lakhs)

Particulars	As at 31 March 2022		As at 31 March 2021	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the year	1,86,52,857	1,865	10,000	1.00
Add : Shares issued during the year	55,34,524	553	1,86,42,857	1,864
Number of shares at the end of the year	2,41,87,381	2,419	1,86,52,857	1,865

13 Share capital and other equity

(iv) Details of Promoters shareholdings

Name of Promoters	As at 31 March 2022		
	Number of shares	% of total shares	% Change during the year
Welspun Enterprises Limited	2,41,87,375	100%	0%
Mr. Vinoo Sanjay (Nominee of Welspun Enterprises Limited)	1	0%	0%
Ms. Jayanti Venkataraman (Nominee of Welspun Enterprises Ltd)	1	0%	0%
Mr. Lalit Kumar Jain (Nominee of Welspun Enterprises Ltd)	1	0%	0%
Mr. Devendra Patil (Nominee of Welspun Enterprises Ltd)	1	0%	0%
Mr. Shashikant Thorat (Nominee of Welspun Enterprises Ltd)	1	0%	0%
Mr. Pradeep Joshi (Nominee of Welspun Enterprises Ltd)	1	0%	0%
Total	2,41,87,381	100%	

Name of Promoters	As at 31 March 2021		
	Number of shares	% of total shares	% Change during the year
Welspun Enterprises Limited	1,86,52,851	100%	0%
Mr. Vinoo Sanjay (Nominee of Welspun Enterprises Limited)	1	0%	0%
Ms. Jayanti Venkataraman (Nominee of Welspun Enterprises Ltd)	1	0%	0%
Mr. Lalit Kumar Jain (Nominee of Welspun Enterprises Ltd)	1	0%	0%
Mr. Devendra Patil (Nominee of Welspun Enterprises Ltd)	1	0%	0%
Mr. Shashikant Thorat (Nominee of Welspun Enterprises Ltd)	1	0%	0%
Mr. Pradeep Joshi (Nominee of Welspun Enterprises Ltd)	1	0%	0%
Total	1,86,52,857	100%	

13(b) - Instrument entirely equity in nature

Particulars	As at 31 March 2022	As at 31 March 2021
Optionally convertible debentures ('OCD')	14,039	14,039
1,40,39,000 (31 March 2021: 1,40,39,000) 0% Optionally convertible debentures of Rs 100 each #		
Total	**14,039**	**14,039**

Terms and conditions

Nature of Debentures
The Optionally Convertible Debentures shall be unsecured and non-marketable.

Payment of Interest
The issuer shall have an option to pay total interest at 15% for the first two years from the date of issue.

Tenure -18 years from the date of allotment

#Each debenture shall have face value of Rs 100 each. The holder shall have option to convert the Debenture amount (Face Value minus interest, if any, already paid) at any time during the tenure of the debentures into equity shares at issue price 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% X (Free Cash Flow for Equity (FCFE) plus interest if any already paid by the Issuer) minus interest if any already paid 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.

Details of Promoters shareholding

Name of Promoters	As at 31 March 2022		
	Number of shares	% of total holding	% Change during the year
Welspun Enterprises Limited	1,40,39,000	100%	0%
Total	**1,40,39,000**	**100%**	

Name of Promoters	As at 31 March 2021		
	Number of shares	% of total holding	% Change during the year
Welspun Enterprises Limited	1,40,39,000	100%	100%
Total	**1,40,39,000**	**100%**	

13 Share capital and other equity

13(c) - Other Equity

(Rupees in lakhs)

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Retained earnings	106	(8)
Securities Premium	17,891	13,796
Total	**17,997**	**13,788**

(i) Retained earnings

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Opening balance	**(8)**	**(0)**
Total comprehensive income for the year	114	(8)
Closing balance	**106**	**(8)**

(ii) Securities Premium

Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Opening balance	**13,796**	**-**
During the year	4,096	13,796
Closing balance	**17,891**	**13,796**

Nature and purpose of reserves :-

Retained earnings

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

14 Non-Current financial liabilities - borrowings

(Rupees in lakhs)

	As at 31 March 2022	As at 31 March 2021
Secured		
Term loan from		
- Banks	68,219	23,059
- Financial Institutions	43,141	56,335
- (Less) - Current maturities of long term borrowings (Refer note 18)	(2,866)	(1,668)
Total	**1,08,494**	**77,726**

Nature of security and terms of repayments

India Infrastructure Finance Company Limited, IDFC FIRST Bank Limited, Union Bank of India, Aditya Birla Finance Ltd., Punjab National Bank and Bank of Baroda

i) Nature of security

First charge on tangible movable assets including movable plant and machinary,furniture,fixture,vechiles and all other movable assets, both present and future.

First charge on all the accounts including Escrow Account and the sub-accounts including but not limited to the Major Maintenance Reserve, DSRA, and any other reserve and other bank accounts of the Company

First charge on all intangible assets,(other than project Assets) including but not limited to goodwill, rights, undertaking, and uncalled capital and intellectual property rights both present and future

A charge/ assignment by way of hypothecation in;
(i) all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Agreements including Substitution Agreement
(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 the letter of credit (if any), guarantee, including contractor guarantees and revised interest and performance bond provided by any party to the Project Agreements, Escrow Agreement and Substitution Agreement and
(iv) all the right, title, interest, benefits, claims and demands whatsoever of the Company under all Insurance Contracts.

A pledge of 51% (fifty one percent) of Equity Shares of the Company held by the holding company

An unconditional and irrevocable Corporate Guarantee from the Guarantor, to secure the Guaranteed Obligations.

ii) Repayment terms

Repayment terms - Rate of Interest (lead bank) - IIFCL's base rate plus spread of 1.80%
Payable in 45 quarterly instalments commencing from October 12, 2021

15 Long term provisions

Provision for employee benefits		
- Gratuity (Refer note 36)	1	-
- Leave benefits (Refer note 36)	1	-
Total	**2**	**-**

16 Deferred tax (assets) / liabilities (net)

Taxable difference on borrowings	7	11
Deductible difference on intangible assets	-	(3)
	7	**8**

17 Contract liabilities

Contract liabilities (Refer note 40)		
- Others	1,941	4,049
	1,941	**4,049**

18 Current financial liabilities - Borrowings

Unsecured		
- Related party (Refer note 37)		
Loan repayable on demand (Interest-free)	28,508	14,708
Secured		
Current maturities of long term borrowings (Refer note 14)	2,866	1,668
Total	**31,373**	**16,376**

(Rupees in lakhs)

	As at 31 March 2022	As at 31 March 2021
19 Trade payables		
Total outstanding dues of micro and small medium enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related party (Refer note 37)	10,245	17,280
- Others	715	673
Total	**10,960**	**17,953**

Ageing schedule for the year ended as on 31 March 2022

	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 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)	10,866	94	-	-	-	**10,960**
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
(iv) Disputed dues of creditors other than micro enterprises and small enterprises						**-**

Ageing schedule for the year ended as on 31 March 2021

	Not Due	Outstanding for following periods from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 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)	7,872	10,081	-	-	-	**17,953**
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	**-**
(iv) Disputed dues of creditors other than micro enterprises and small enterprises						**-**

	As at 31 March 2022	As at 31 March 2021
20 Current financial liabilities - others		
Retention money payable	0	-
Payable to employees	1	-
Total	**1**	**-**
21 Short term provisions		
Provision for employee benefits		
- Gratuity (Refer note 36)	0	-
- Leave benefits (Refer note 36)	0	-
Total	**0**	**-**
22 Other current liabilities		
Statutory dues payable	441	1,055
Total	**441**	**1,055**
23 Current tax liability		
Provision for tax	32	-
	32	**-**

(Rupees in lakhs)

		Period ended 31 March 2022	Period ended 31 March 2021
24	**Revenue from operations**		
	Revenue from construction contract	40,117	62,808
	Utility Revenue	1,343	125
	Total	**41,460**	**62,933**
25	**Other income**		
	Interest income on financial assets at amortised cost		
	- On bank deposits	26	-
	Interest income		
	- Interest income on financial assets at fair value through profit and loss ('FVTPL')	88	
	- Others	1	
	Net gain on financial assets mandatorily measured at fair value through profit and loss ('FVTPL')	56	-
	Total	**170**	**-**
26	**Subcontracting Expenses**		
	Civil and Sub contracting charges	37,972	58,032
	Total	**37,972**	**58,032**
27	**Finance costs**		
	Interest expenses on:-		
	Bank charges and other finance costs	1	0
	Total	**1**	**0**
28	**Employee benefits costs**		
	Salaries, wages and bonus	24	-
	Contribution to provident and other funds	3	-
	Staff welfare expenses	0	-
	Total	**26**	**-**
29	**Other expenses**		
	Power and Fuel	86	3
	Repairs - Road	-	4
	Rates and Taxes	2,800	4,413
	Project Monitoring and Maintenance Fees	108	4
	Site work expenses	10	0
	Leases	67	4
	Telephone expenses	0	-
	Insurance	196	286
	Professional fees	191	164
	Payment to Auditors :-		
	Audit fees (including fees for limited review)	1	1
	Miscellaneous expenses	2	22
	Total	**3,462**	**4,901**

30 Income tax

i) Income tax related to items recognised in Statement of profit and loss during the year

(Rupees in lakhs)

	Period ended 31 March 2022	Period ended 31 March 2021
Current tax		
Current tax on taxable income for the year	54	-
Deferred tax		
Ind AS adjustment	(0)	8
Total deferred tax charge/ (credit)	**(0)**	**8**
Income tax expense reported in the statement of profit and loss	**54**	**8**

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

(Rupees in lakhs)

	Period ended 31 March 2022	Period ended 31 March 2021
Accounting profit before tax	168	(0)
At India's statutory income tax rate	49	(0)
Tax effect of amount which are not taxable in calculating taxable income :		
Losses utlised during the year	(3)	-
Other allowances for tax porpose	8	8
Income tax expenses reported in the statement of profit and loss	**54**	**8**
(Refer Note 3 (A) (iv)) in Significant Accounting Policies		

iii) Deferred tax relates to the following:

(Rupees in lakhs)

	Balance Sheet		Recognized in the statement of profit and loss	
	As at 31 March 2022	As at 31 March 2021	Period ended 31 March 2022	Period ended 31 March 2021
A. Deferred tax liabilities (net)				
I). Deferred tax liabilities				
Taxable difference on borrowings	7	11	(3)	
Deductible difference on intangible assets	-	(3)	3	8
	7	**8**	**(0)**	**8**
Deferred tax charge/(credit)			**(0)**	**8**

31 Financial risk management objectives and policies

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

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)	1,11,403	79,437

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:

(Rupees in lakhs)

Effect on Profit before tax	Year ended 31 March 2022	Year ended 31 March 2021
Interest rates : (Increase) by 50 basis points	(557)	(397)
Interest rates : Decrease by 50 basis points	557	397

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.

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.

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

	Year ended 31 March 2022	Year ended 31 March 2021
Trade Receivables		
Over one year	10	-
Less than one year	1,121	45
Security deposit		
Less than one year	79	39
Total	**1,200**	**83**

Liquidity risk

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

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

(Rupees in lakhs)

	Long term borrowings #	Short term borrowings	Trade Payable
Less than1 year	2,866	28,508	10,960
1 to 5 years	33,293	-	-
More than 5 year	75,245	-	-
Total	**1,11,403**	**28,508**	**10,960**

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

(Rupees in lakhs)

	Long term borrowings #	Short term borrowings	Trade Payable
Less than1 year	1,668	14,708	17,953
1 to 5 years	15,147	-	-
More than 5 year	62,579	-	-
Total	**79,394**	**14,708**	**17,953**

excluding IndAS adjustments related to borrowings

32 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.

(Rupees in lakhs)

	As at 31 March 2022	As at 31 March 2021
Net Debt	1,53,120	1,14,074
Total Capital	16,564	15,896
Capital and net debt	**1,69,684**	**1,29,970.16**
Capital Gearing Ratio	**90.24%**	**87.77%**

33 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)	113.97	(7.57)
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating basic EPS (Number of shares)	2,37,47,652	61,98,845
Add : Effect of dilutions :-		
Compulsorily Convertible Debentures (Number of shares) *	14,03,90,000	9,21,14,440.00
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating diluted EPS (Number of shares)	16,41,37,652	9,83,13,285
Basic earnings per share (Rs)	0.48	(0.12)
Diluted earnings per share (Rs)	0.07	(0.12)*

* Compulsorily convertible debentures has not been considered for calculation of diluted earnings per share because they are antidilutive for the previous year. These compulsorily convertible debentures could potentially dilute earnings per share in the future.

34 Commitment and contingencies

The Company does not have any contingent liability and commitements as at 31 March 2022

35 Segment Information

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

36 Gratuity and other post employment benefits plans

The disclosures of employee benefit as defined in the Ind AS 19 - " Employee Benefits" are given below :

a) The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

b. Leave encashment is a non-funded defined benefit scheme. The obligation for leave encashment is recognized in the same manner as gratuity.

c. Details of post retirement gratuity plan are as follows :-

i. Net expenses recognised during the year in the statement of profit and loss :-

(Rupees in lakhs)

	As at 31 March 2022	**As at 31 March 2021**
Current service cost	1	-
Past service cost including curtailment gains/ losses	0	-
Interest cost (net)	-	-
Net expenses recognised in statement of profit and loss	**1**	**-**

ii. Net expenses recognised during the year in other comprehensive income (OCI)

(Rupees in lakhs)

	As at 31 March 2022	**As at 31 March 2021**
Actuarial (gains) / losses arising from changes in demographic	-	-
Actuarial (gains) / losses arising from changes in financial assumptions	-	-
Actuarial (gains) / losses arising from changes in experience assumptions	-	-
Expected return on plan assets excluding interest		
Net expenses recognised in other comprehensive income	**-**	**-**

iii. Reconciliation of opening and closing balances of defined benefit obligation

(Rupees in lakhs)

	As at 31 March 2022	**As at 31 March 2021**
Defined benefit obligation as at the beginning of the year	-	-
Current service cost	1	-
Past service cost	0	-
Interest cost	-	-
Actuarial (gain) / loss on obligation	-	-
Benefits directly paid by the Company	-	-
Defined benefit obligation at the end of the year	**1**	**-**

iv. Actuarial assumptions

	As at 31 March 2022	As at 31 March 2021
Mortality Table	100% of Indian Assured Lives Mortality (2012-14)	NA
Discount rate (per annum)	7.40%	NA
Rate of escalation in salary (per annum)	6.00%	NA
Attrition rate	3% up to age 30, 2% from age 31 to 44 and 1% thereafter	NA

v. Quantitative sensitivity analysis

(Rupees in lakhs)

	As at 31 March 2022	As at 31 March 2021
Impact of change in discount rate		
Present value obligation at the end of the period	1	-
Impact due to increase of 0.50%	(0)	-
Impact due to decrease of 0.50%	0	-
Impact of change in salary increase		
Present value obligation at the end of the period	1	-
Impact due to increase of 0.50%	0	-
Impact due to decrease of 0.50%	(0)	-

vi. Maturity analysis of projected benefit obligation

	As at 31 March 2022	As at 31 March 2021
Year ended		
31-Mar-22	0	-
31-Mar-23	0	-
31-Mar-24	0	-
31-Mar-25	0	-
31-Mar-26	0	-

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

a) Particulars of Holding Company

Name of the entities	Extent of holding As at 31 March 2022	As at 31 March 2021	Relationship
Welspun Enterprises Limited	100.00%	100.00%	Holding Company

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-Kaveri Infraprojects JV Private Limited
Welspun Delhi Meerut Expressway Private Limited

c) Directors / Key managerial Personnel (KMP)

Name of the Related Parties	
Mr Jitendra Jain ^^	Director
Mr Lalit Kumar Jain	Director
Mr Yogen Lal	Director
Mrs Jayanti Venkatraman **	Director
Devanshu Parekh ^	Company Secretary
Anil Kumar Birla *	Additional Director & Chief Financial Officer

^ was appointed from 06 September 2021 till 04 March 2022
*with effect from 01 feburary 2022
** with effect from 22 June 2020
^^ Resigned w.e.f. from 30 June 2020

(Rupees in lakhs)

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

Nature of transactions	**Year ended 31 March 2022**	**Year ended 31 March 2021**
Subcontracting & Project Monitoring and Maintenance		
Welspun Enterprises Limited	36,859	57,920
Borrowing taken		
Welspun Enterprises Limited	20,419	44,861
Borrowing repaid		
Welspun Enterprises Limited	1,970	486
Mobilization advances given to		
Welspun Enterprises Limited	2,070	11,000
Mobilization advances repaid/ adjusted to		
Welspun Enterprises Limited	6,858	1,788
Conversion of borrowings to optionaly convertible debentures		
Welspun Enterprises Limited	-	14,039
Conversion of borrowing for Issue of equity shares including securities premium		
Welspun Enterprises Limited	4,649	15,660

Closing balances as at

Nature of transactions	**As at 31 March 2022**	**As at 31 March 2021**
Short term borrowings		
Welspun Enterprises Limited	28,508	14,708
Optionally convertible debentures		
Welspun Enterprises Limited	14,039	14,039
Trade Payable		
Welspun Enterprises Limited	10,245	17,280
Mobilization advance receivable		
Welspun Enterprises Limited	4,424	9,212

During the earlier year, Welspun Enterprises Limited ('WEL') had given guarantee on behalf of the Company for debt obligations to lenders, pursuant to which maximum exposure aggregates to Rs 11,136 lakhs (31 March 2021 Rs 79,394 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.

40 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)

	Year ended 31 March 2022	Year ended 31 March 2021
Contract assets	4,424	9,212
Contract liabilities	1,941	4,049

a) Explanation for increase/(decrease) in Contract asset/ liabilities

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. The decrease in Contract assets in March 2022 is on account of decrease in mobilization advances as per terms of the contract.

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. The decrease in Contract liabilities in March 2022 is on account of reduction in mobilization advances.

41 Concession arrangements - main features

(i) Name of the concession :	Mukarba Chowk Panipat section of National Highway - 1 (New NH-44)
(ii) Description of arrangements :	Eight laning of Mukarba Chowk Panipat section of National Highway - 1 (New NH-44) from km. 15.500 to km. 86.000 in the State of Haryana through Public Private Partnership (PPP) on Design, Build, Finance, Operate and Transfer basis (DBFOT).
(iii) Significant terms of arrangements :	Period of Concession: 17 years from Appointed Date (27.10.2016) Construction period: 15 months from Substitution Agreement Date (08.06.2020) Remuneration: User Fee (Article 27) Investment grant from concession grantor: Yes (Article 25) Infrastructure return to grantor at end of concession : Yes Investment and renewal obligations: No Re-pricing dates: Annual revision of User Fee (Clause 27.2) Basis upon which re-pricing or re-negotiation is determined: Subject to annual revision of Fee Rules (Clause 27.2)

As on 31 March 2022 PCOD is received by the project and it is in operation phase.

42 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:

	Equity share capital including securities premium	Optionally convertible debentures	Short term borrowings	Long term borrowings
As at 31 March 2021	**15,661**	**14,039**	**14,708**	**79,394**
Cash inflows		-	20,419	-
Cash outflows	-	-	(1,970)	(20,898)
Non- cash items	4,649	-	(4,649)	52,862
As at 31 March 2022	**20,310**	**14,039**	**28,508**	**1,11,360**

	Equity share capital including securities premium	Optionally convertible debentures	Short term borrowings	Long term borrowings
As at 31 March 2020	1	-	32	-
Cash inflows	15,660	-	44,861	26,532
Cash outflows	-	-	(486)	-
Non- cash items	-	14,039	(29,699)	52,862
As at 31 March 2021	**15,661**	**14,039**	**14,708**	**79,394**

43 Under the Micro, Small and Medium Enterprise Development Act, 2006 (“MSMED Act”) which came into force effective from October 2, 2006, certain disclosures relating to amounts due to micro, small and medium enterprises are required to be made. As the relevant information is not yet readily available and /or not given or confirmed by such enterprises, it is not possible to give required information in the accounts. However, in view of the management, the impact of interest, if any, which may subsequently become payable to such enterprises in accordance with the provisions of the Act, would not be material and the same, if any, would be disclosed in the year of payment of interest.

44 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.

45 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 ROC 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

46 Business Combination

Pursuant to the substitution agreement and endorsement agreements, both dated 8 June 2020 entered into with NHAI and India Infrastructure Finance Company Limited (“IIFCL”), the Company has been appointed as the concessionaire under the concession agreement dated 28 August 2015 with NHAI with respect to the project involving the ‘8 laning of section NH-1 (New NH-44) from Mukarba Chowk at Km 15.500 to Panipat Km 86.00’ on BOT (toll) basis in Haryana (“Mukarba Panipat Project”). The substitution was effected by acquiring identified assets and assumption of liabilities of the project for aggregate consideration of Re 1 (Rupee one only).

In accordance with Ind AS 103 “Business Combination’, based on a fair valuation report and purchase price allocation (PPA), the Company has recorded intangible assets under development of Rs 66,315 lakhs and equivalent amount of liabilities assumed on acquisition resulting in Nil goodwill. Revenues recognised with respect to the aforesaid undertaking from acquisition date till reporting date is Rs 62,808 lakhs.

47 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.

48 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 H. K. Shah & Co.
Chartered Accountants
Firm Registration Number 109583W

CA Gopesh K. Shah
Partner
Membership Number 106204

Place: Ahmedabad
Date: 11 May 2022

For and on behalf of the Board

Yogen Babulal Lal
Director
DIN : 01828376

Jayanti Venkatraman
Director
DIN 01930389

Anil Kumar Birla
Chief Financial Officer

Place: Mumbai
Date: 11 May 2022

38 Fair value measurements

On comparision 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.

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				
Other financial assets	-	337	-	-
Current assets				
Current investments	3,034	-	-	-
Trade receivables	-	1,131	-	-
Cash and cash equivalents	-	90	-	45
Other financial assets		79		39
Total financial assets	**3,034**	**1,637**	**-**	**83**
Financial liabilities				
Non-current liabilities				
Borrowings	-	1,08,494	-	77,726
Current liabilities				
Borrowings	-	31,373	-	16,376
Trade payables	-	10,960	-	17,953
Other financial liabilities	-	1	-	-
Total financial liabilities	**-**	**1,50,828**	**-**	**1,12,055**

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.

	Carrying amount	**Fair value measurement**		
	As at 31 March 2022	**Level 1**	**Level 2**	**Level 3**
Current investments- Bonds	3,034	-	3,034	-
	Carrying amount	**Fair value measurement**		
	As at 31 March 2021	**Level 1**	**Level 2**	**Level 3**
Current investments- Bonds	-	-	-	-

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

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

Level 2: other techiniques 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 non-current and current 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.

39 Ratio Analysis and its elements

Ratio	Numerator	Denominator	Measure (In times/ percentage)	As at 31 March 2022	As at 31 March 2021	% variance	Reason for variance #
(a) Current Ratio (in times)	Current assets	Current laibilities	Times	0.24	0.33	-28.07%	Due to increase in Current laibilities
(b) Debt-equity ratio	Total debt [Non-current borrowings + Current borrowings]	Total Equiity	Times	4.06	3.17	28.09%	Due to increase in total equity
(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	0.34	1.00	-66.13%	On account of repayment of loans in F.Y. 2021-22
(d) Return on equity ratio	Profit after tax	Average of total equity	Percentage	0.36%	-0.05%	-796.87%	On account of profit after tax in F.Y. 2021-22 as compared to loss in F.Y. 2020-21.
(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	70.54	2,814	-97.49%	Since the project was acquired in June 20 by way of business combination from IIFCL . The calculation of average trade receivables for March 21 is not comparable.
(g) Trade payables turnover ratio	Subcontracting costs + other expenses	Average trade payables	Times	2.87	7.01	-59.12%	Since the project was acquired in June 20 by way of business combination from IIFCL . The calculation of average trade payable for March 21 is not comparable.
(h) Net capital turnover ratio	Revenue from operations	Average Working capital {[Current assets - Current liabilities]/2}	Times	-1.37	-4.75	-71.23%	Since the project was acquired in June 20 by way of business combination from IIFCL . The calculation of average working capital for March 21 is not comparable.
(i) Net profit ratio	Profit after tax	Revenue from operations	Percentage	0.27%	-0.01%	-2385.23%	On account of profit after tax in F.Y. 2021-22 as compared to loss in F.Y. 2020-21.
(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 Equity + Long-term borrowings + short-term borrowings]	Percentage	6.09%	3.89%	56.73%	On account of PCOD received by the company during the year.
(k) Return on investment	Income generated from invested funds	Average invested funds in treasury investments	Percentage	4.73%	Not applicable	Not applicable	-

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.