Welspun Road Infra 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) Property, plant and equipment	4	1	-
(b) Financial assets			
(i) Service concession receivable	5	52,736	33,884
(c) Non-current tax assets (net)	6	233	281
Total non-current assets		**52,970**	**34,165**
2. Current assets			
(a) Financial assets			
(i) Trade receivables	7	20	20
(ii) Cash and cash equivalents	8	18,202	578
(iii) Service concession receivable	9	12,136	14,222
(iv) Other financial assets	10	0	0
(b) Other current assets	11	3,865	7,982
Total current assets		**34,223**	**22,802**
Total assets		**87,193**	**56,967**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	12	3,951	3,951
(b) Other equity	12	17,019	13,956
Total equity		**20,970**	**17,907**
LIABILITIES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	33,838	30,584
(b) Deferred tax liabilities (net)	14	2,000	805
Total non-current liabilities		**35,838**	**31,389**
2. Current liabilities			
(a) Contract liabilities	15	15,082	1,929
(b) Financial liabilities			
(i) Borrowings	16	6,331	4,561
(ii) Trade payables	17		
- Due of micro enterprises and small enterprises		-	-
- Due of creditors other than micro enterprises and small enterprises		8,809	1,175
(iii) Other financial liabilities	18	-	1
(c) Other current liabilities	19	163	5
Total current liabilities		**30,385**	**7,671**
Total equity and liabilities		**87,193**	**56,967**

Notes forming part of the financial statements (Refer note 1 to 41)

As per our report of even date

For H.K. Shah & Co.
Chartered Accountants
Firm Registration No.: 109583W

CA. Gopesh Shah
Partner
Membership Number - 106204

Place: Ahmedabad
Date: 11 May 2022

For and on behalf of the Board

Yogen Babulal Lal
Director
DIN:01828376

Ajay Hans
Director
DIN: 00391261

Kevin Daftary
Chief Financial Officer

Akshay Vora
Company Secretary

Place: Mumbai
Date: 11 May 2022

Welspun Road Infra 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
Income			
Revenue from operations	20	23,193	37,194
Other Income	21	7,056	4,315
Total income		**30,249**	**41,509**
Expenses			
Sub-contracting, civil and repair work	22	22,007	36,674
Finance costs	23	2,769	1,571
Other expenses	24	1,214	520
Total expenses		**25,990**	**38,765**
Profit before tax		**4,259**	**2,744**
Income tax expense	25		
- Current tax		-	4
- Deferred tax charge/(credit)		1,196	892
Total tax expense		**1,196**	**896**
Profit for the year		**3,063**	**1,848**
Other comprehensive income for the year		**-**	**-**
Total comprehensive income for the year		**3,063**	**1,848**
Earnings per equity share of Rs. 10 each fully paid-up	28		
Basic EPS (Rs)		7.75	5.95
Diluted EPS (Rs)		7.75	5.95

Notes forming part of the financial statements (Refer note 1 to 41)

As per our report of even date

For H.K. Shah & Co.
Chartered Accountants
Firm Registration No.: 109583W

CA. Gopesh Shah
Partner
Membership Number - 106204

Place: Ahmedabad
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Akshay Vora
Company Secretary

Place: Mumbai
Date: 11 May 2022

Welspun Road Infra Private Limited

Notes forming part of the financial statements

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

12(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
	3,951	-	3,951	-	3,951

(Rs in lakhs)

(ii) Previous year	Balances as at 01 April 2020	Changes in equity share capital due to prior period errors	Restated balance as at 01 April 2020	Change in equity share capital during the year	Balance as at 31 March 2021
	100	-	100	3,851	3,951

12(B) - Instrument entirely equity in nature (Rs in lakhs)

Balance as at 31 March 2021	**9,565**
Changes during the year	(9,565)
Balances as at 31 March 2021	**-**
Changes during the year	-
Balances as at 31 March 2022	**-**

12(C) - Other equity (Rs in lakhs)

Particulars	Securities Premium	Retained earnings	Total other equity
Balance as at 31 March 2021	**-**	**554**	**554**
Change in accounting policy or prior period errors	-	-	-
Restated Balance as at 01 April 2020	-	554	554
Profit for the year	11,554	1,848	13,401
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	**11,554**	**1,848**	**13,401**
Balance as at 01 April 2021	**11,554**	**2,402**	**13,401**
Change in accounting policy or prior period errors	-	-	
Restated Balance as at 01 April 2021	**11,554**	**2,402**	**13,956**
Profit for the year	-	3,063	3,063
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	**-**	**3,063**	**3,063**
Balances as at 31 March 2022	**11,554**	**5,465**	**17,019**

Notes forming part of the financial statements (Refer note 1 to 41)

As per our report of even date

For H.K. Shah & Co.
Chartered Accountants
Firm Registration No.: 109583W

For and on behalf of the Board

CA. Gopesh Shah
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Kevin Daftary
Chief Financial Officer

Akshay Vora
Company Secretary

Place: Ahmedabad
Date: 11 May 2022

Place: Mumbai
Date: 11 May 2022

Welspun Road Infra Private Limited

Statement of Cash Flow for the year ended March 2022

	Year ended 31 March 2022	Year ended 31 March 2021
Cash flows from operating activities		
Net Profit before tax and exceptional items	4,259	2,744
Adjustment for		
Revenue from construction contract	(21,287)	(32,047)
Interest income on financial assets	(7,051)	(4,301)
Interest income others	(5)	(14)
Gain on financial assets	-	-
Finance costs	2,769	1,571
Operating Profit before working capital changes	**(21,315)**	**(32,047)**
Decrease/ (Increase) in other current assets	(18,852)	(6,183)
Decrease/ (Increase) in other non current assets	34,541	19,873
Decrease/ (Increase) in other current liabilities	13,756	(3,447)
(Decrease)/ Increase in other current financial liabilities	7,633	(13,464)
Cash Generated/ (used) from/ in operation	**15,763**	**(35,268)**
Tax Paid (net)	48	93
Net cash flow from/ (used in) operating activities (A)	**15,811**	**(35,176)**
Cash flows from investing activities		
Interest income	5	14
Net flow from property, plant and equipment	(1)	
Net cash flow from/ (used in) investing activities (B)	**4**	**14**
Cash flows from financing activities		
Proceeds from long term borrowing	2,400	32,100
Repayment of long term borrowing	-	(3)
Proceeds from short term borrowings	2,530	12,244
Repayment of short term borrowings	(132)	(7,702)
Finance expenses	(2,989)	(1,270)
Net cash flow from/ (used in) in financing activities (B)	**1,809**	**35,369**
Net increase/(decrease) in cash and cash equivalents (A+B)	**17,624**	**208**
Cash and cash equivalents at the beginning of the year	578	370
Cash and cash equivalents at the end of the year	**18,202**	**577**
Components of cash and cash equivalents		
Balances with banks in current accounts	18,202	578
Total cash and cash equivalents	**18,202**	**578**

Notes forming part of the financial statements (Refer note 1 to 41)

As per our report of even date attached.

For H.K. Shah & Co.
Chartered Accountants
Firm Registration No.: 109583W

For and on behalf of the Board

CA. Gopesh Shah
Partner
Membership Number - 106204

Yogen Babulal Lal
Director
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Ajay Hans
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Kevin Daftary
Chief Financial Officer

Akshay Vora
Company Secretary

Place: Ahmedabad
Date: 11 May 2022

Place: Mumbai
Date: 11 May 2022

1. Company information

Welspun Road Infra 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 Improvement of Road joinig district Place at Akola Dist. Akola Mhaisang, Dayapur, Length 41.49 Km (b) Improvement to Road joining Taluka Place in Akola and Amaravati District.Length - 26.80 Km, Improvement of Road, Joining Taluka Place in Akola and Amaravati District Length 22.42 Km (b) Improvement of Road joining District Place - Amaravati Dayapur, improvement of Road for Piligrime Center at KAyudanpur in Amaravati District Kurtha Kaundyapur length 40.52 Km, Imprvement of Road, Joining District Place in Amaravati District Length 28.100 Km on Hybrid Annuity model basis.

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) Property, plant and equipment

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

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

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

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.

c) Variable consideration

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

d) Interest income

Interest income for all debt instruments, measured at amortised cost or fair value through other comprehensive income, is recognised using the effective interest rate ('EIR') method and shown under interest income in the statement of profit and loss. Interest income on interest bearing financial assets classified as fair value through profit and loss is shown as interest income under other income.

e) Contract Balances

Contract assets and contract liabilities

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

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

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

Trade receivables

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

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

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

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

vi) Taxes on income
a) Current tax

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

b) Deferred tax

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

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

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

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

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

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

Subsequent measurement

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

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

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

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

c) Debt instruments measured at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.
In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as ‘accounting mismatch’). The Company has not designated any debt instrument (except as referred in 3 (A) (iv) as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.
d) Equity instruments
All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading are classified as FVTPL. The Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

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

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

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

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

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

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

D. Impairment of financial assets
The Company assesses impairment based on expected credit losses (ECL) model to the following:

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

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

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)

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 profit and loss at fair value with changes in fair value recognized in the statement of profit and loss.

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

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

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

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

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

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

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

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

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

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

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

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

xv) Exceptional items

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

3 (B) Significant estimates, 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) Revenue from contracts with customers

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

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

b) Contingencies and commitments

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

c) Impairment testing

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

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

d) Taxes

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

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

e) Fair Value Measurement

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions (Refer note 28).

3 (D) Recent pronouncement

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.

4 Property, plant and equipment and Capital work-in-progress

(Rupees in lakhs)

	Freehold Land	Total
Gross carrying amount (cost)		
As at 31 March 2020	**-**	**-**
Additions	-	**-**
Disposals	-	**-**
As at 31 March 2021	**-**	**-**
Additions	1	**1**
Disposals	-	**-**
As at 31 March 2022	**1**	**1**

	Freehold Land	Total
Accumulated depreciation		
As at 31 March 2020	**-**	**-**
Additions during the year	-	**-**
Deletions during the period	-	**-**
As at 31 March 2021	**-**	**-**
Additions during the year	-	**-**
Deletions during the period	-	**-**
As at 31 March 2022	**-**	**-**
As at 31 March 2022	**1**	**1**
As at 31 March 2021	**-**	**-**

Notes forming part of the financial statements

(Ru

	As at 31 March 2022
5 Non current financial assets	
Service concession receivables	52,736
Total	**52,736**

6 Non-current tax assets (net)

	As at 31 March 2022
Balances with government authorities	
- Direct tax (net of provision)	233
Total	**233**

7 Trade receivables

(Unsecured considered good unless otherwise stated)	
Trade receivables	20
Total	**20**

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**
(i) Undisputed Trade Receivables - considered good	-	-	1	-	19	
(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**
(i) Undisputed Trade Receivables - considered good	-	-	1	19	-	-
(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	-	-	-	-	-	-

8 Cash and cash equivalents

Balances with banks in current accounts	18,202
Total	**18,202**

9 Service concession receivables

Service concession receivables	12,136
Total	**12,136**

10 Other current financial assets

(Unsecured considered good unless otherwise stated)	
Security Deposits	0
Total	**0**

11 Other current assets

(Unsecured considered good, unless otherwise stated)	
Advance against goods and services	
-Related party (Refer note 29)	-
-Others	140
Balances with government authorities - Indirect taxes	3,722
Excess TDS deposited	-
Prepaid Expenses	3
Total	**3,865**

ɔees in lakhs)

As at 31 March 2021
33,884
33,884

As at 31 March 2021
281
281

20
20

TOTAL
20
-
-
-
-
-

TOTAL
20
-
-
-
-
-
578
578
14,222
14,222
0
0
6,256
132
1,572
22
-
7,982

12 Share capital and other equity

12(a) - Equity share capital

(Rupees in lakhs)

Particulars	As at 31 March 2022	As at 31 March 2021
Authorised share capital		
50,000,000 (31 March 2021: 1,000,000) Equity Shares of Rs.10 each	5,000	100
Issued, subscribed and paid up		
39,513,685 (31 March 2021: 39,513,685) Equity Shares of Rs.10 each fully paid up	3,951	3,951
	3,951	**3,951**

i) Reconciliation of number of shares outstanding

	As at 31 March 2022		As at 31 March 2021	
	Number of equity shares	As at 31 March 2022	Number of equity shares	As at 31 March 2021
At the beginning of the period	3,95,13,685	3,951	10,00,000	100
Add : Issued during the year	-	-	3,85,13,685	3,851
Outstanding at the end of the period	3,95,13,685	3,951	3,95,13,685	3,951

ii) Rights, preference and restriction on shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. The dividend, in case proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

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

iii) 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	3,95,13,685	100.00%	3,95,13,685	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	3,95,13,685	100.00%	3,95,13,685	100.00%

v) 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	3,95,13,679	100%	0%
Mr. Yogen Lal (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%
Mr. Vinoo Sanjay (Nominee of Welspun Enterprises Ltd)	1	0%	0%
Total	**3,95,13,685**	**100%**	

12 Share capital and other equity

Name of Promoters	As at 31 March 2021		
	Number of shares	% of total shares	% Change during the year
Welspun Enterprises Limited	3,95,13,679	100%	0%
Mr. Yogen Lal (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%
Mr. Vinoo Sanjay (Nominee of Welspun Enterprises Ltd)	1	0%	0%
Total	**3,95,13,685**	**100%**	

12(b) - Other equity

Particulars	As at 31 March 2022	As at 31 March 2021
Retained earnings	5,465	2,402
Securities Premium	11,554	11,554
Total	**17,019**	**13,956**

(i) Retained earnings

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	**2,403**	**554**
Total Comprehensive income for the year	3,063	1,849
Closing balance	**5,466**	**2,403**

(ii) Securities Premium

Particulars	As at 31 March 2022	As at 31 March 2021
Opening balance	**11,554**	**-**
Total Comprehensive income for the year	-	11,554
Closing balance	**11,554**	**11,554**

Nature and purpose of reserves :-

Retained earnings

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

(Rupees in lakhs)

	As at 31 March 2022	As at 31 March 2021
13 Non- current borrowings		
Secured		
Term Loans from banks	34,050	31,424
Less: Current maturities of long term borrowings disclosed under 'Financial liabilities- Borrowings' (Ref	(212)	(840)
Total	**33,838**	**30,584**

a Nature of security and terms of repayments

State Bank of India

i) Nature of security

First charge on all the immovable assets, tangible movable assets including cashflows, receivables, movable plant and machinary,furniture,fixture,vechiles and all other movable assets, machinary spares, tools and accessories, 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,uncalled capital and intellectual property rights both present and future

Pledge of 51% of the shares of the Company held by the holding company, parent to give Non-Disposable Undertaking (NDU) in respect of balance 49% of share 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 Concession Agreement
(ii) the right, title and interest of the Company in, to and under all the Applicable Permits;
(iii) 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
(iv) all the right, title, interest, benefits, claims and demands whatsoever of the Company under all Insurance Contracts.

An unconditional and irrevocable corporate guarantee by the holding company.

ii) Repayment terms
Rate of Interest - Bank rate plus 3%
Payable in 16 half-yearly installments starting 2022-23 and ending in F.Y. 2029-30.

	As at 31 March 2022	As at 31 March 2021
14 Deferred tax liabilities		
Taxable temporary difference on account on service concession	1,834	586
Taxable temporary difference on borrowings	166	219
Total	**2,000**	**805**
15 Contract Liabilities		
Contract liabilities (Refer note 31)		
- Others	15,082	1,929
	15,082	**1,929**
16 Current financial liabilities - borrowings		
Unsecured		
Loans repayable on demand & (Refer note 29)		
- Related party	4,620	2,222
1,498,895 units (31 March 2021 : 1,498,895) 0% unsecured optionally convertible debentures of Rs 1	1,499	1,499
Current maturities of long term borrowings (Refer note 13)*	212	840
Total	**6,331**	**4,561**

* Current maturities of long term debt includes interest accrued but not due Rs 213 lakhs (31 March 2020: 198 Lakhs)

Notes forming part of the financial statements

\# **Optionally convertible debentures ('OCD')**

Terms and conditions

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

17 Trade payables

Total outstanding dues of micro enterprises and small enterprises (A)	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Related party (Refer note 29)	8,750	0
- Others	59	1,175
Total	**8,809**	**1,175**

Trade Payables ageing schedule for the years ended as on 31 March 2022 and 31 March 2021 is as follows:

As at 31 March 2022

		Outstanding for following periods from due date of payment				TOTAL
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises (including accrued liabilities)	7,572	1,237				**8,809**
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
Total	**7,572**	**1,237**	**-**	**-**	**-**	**8,809**

As at 31 March 2021

		Outstanding for following periods from due date of payment				TOTAL
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i)Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii)Total outstanding dues of creditors other than micro enterprises and small enterprises (including accrued liabilities)	450	726	-	-	-	**1,175**
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than	-	-	-	-	-	-
Total	**450**	**726**	**-**	**-**	**-**	**1,175**

18 Current financial liabilities - others

Retention money payable	-	1
Total	**-**	**1**

19 Other current liabilities

Statutory dues payable	162	5
Total	**162**	**5**

(Rupees in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
20 Revenue from operations		
Revenue from construction contract	21,287	32,047
Revenue from utility	1,036	5,147
Revenue from operation and maintenances	870	-
Total	**23,193**	**37,194**
21 Other Income		
Interest income on		
- financial assets measured at amortised cost	7,051	4,301
- others	5	14
	7,056	**4,315**
22 Sub-contracting, civil and repair work		
Sub-contracting, civil and repair work	22,007	36,674
Total	**22,007**	**36,674**
23 Finance costs		
Interest expenses on		
- term loans	2,372	1,319
- others	73	161
Bank Charges and other finance costs	324	91
Total	**2,769**	**1,571**
24 Other expenses		
Operation and maintenance expenses	870	-
Corporate social responsibilities expenses (Refer note 38)	21	
Project monitoring and maintenance fees	41	205
Professional fees	242	167
Insurance costs	27	51
Rates and taxes	10	51
Payment to auditors :-		
- Audit fees (including fees for limited review)	1	1
Registration & filing expenses	1	-
Director sitting fee	1	0
Miscellaneous expenses	0	45
Total	**1,214**	**520**

25 Income tax

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

(Rupees in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Current tax		
Current tax on taxable income for the year	-	4
Deferred tax		
Ind AS adjustment	1,196	892
Total deferred tax charge/ (credit)	**1,196**	**892**
Income tax expense reported in the statement of profit and loss	**1,196**	**896**

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

(Rupees in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Accounting profit before tax	4,259	2,744
At India's statutory income tax rate	1,072	691
Tax effect of amount which are not taxable in calculating taxable income :		
Other allowances for tax purpose	(0)	(0)
Other non deductible expenses and business loss on which no deferred tax is recognised	124	-
Other taxable adjustments	-	205
Income tax expenses reported in the statement of profit and loss	**1,196**	**896**
(Refer Note 3 (A) (vi)) in Significant Accounting Policies		

iii) Deferred tax relates to the following:

(Rs in lakhs)

	Balance Sheet		Recognized in the statement of profit and loss	
	As at 31 March 2022	As at 31 March 2021	Year ended 31 March 2022	Year ended 31 March 2021
A. Deferred tax liabilities (net)				
Taxable temporary difference on account on service concession	1,834	586	1,249	673
Taxable temporary difference on borrowings	166	219	(53)	219
	2,000	**805**	**1,196**	**892**
Deferred tax charge/(credit)			**1,196**	**892**

26 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.

A) Market risk

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

Interest rate risk

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

(Rupees in lakhs)

	As at 31 March 2022	As at 31 March 2021
Variable rate borrowings (excluding IndAS adjustments related to borrowings)	34,497	32,097

Interest rate sensitivity

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

(Rupees in lakhs)

	Year ended 31 March 2022	Year ended 31 March 2021
Interest rates : (Increase) by 50 basis points	172	160
Interest rates : Decrease by 50 basis points	(172)	(160)

B) Credit risk

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

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		
Non-current	52,736	33,884
Current	12,136	14,222
Trade Receivable	20	20
Total	**64,892**	**48,126**

C) Liquidity risk

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

b) Exposure to liquidity risk

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

	Long term borrowings #	Short term borrowings	Trade payables	Other financial liability
Financial Liabilities				
Less than 1 year	212	6,119	8,809	-
Between 1 to 5 years	20,237	-	-	-
Beyond 5 years	14,048	-	-	-
Total	**34,497**	**6,119**	**8,809**	**-**

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

	Long term borrowings #	Short term borrowings	Trade payables	Other financial liability
Financial Liabilities				
Less than 1 year	840	3,721	1,175	1
Between 1 to 5 years	13,481	-	-	-
Beyond 5 years	17,776	-	-	-
Total	**32,097**	**3,721**	**1,175**	**1**

excluding IndAS adjustments related to borrowings

27 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	A	46,021	37,676
Total Capital	B	20,970	17,907
Capital and Net Debt	**C = A + B**	**66,991**	**55,583**
Capital Gearing Ratio	**A / C**	**69%**	**68%**

28 Earnings per share (EPS)

	Year ended 31 March 2022	Year ended 31 March 2021
Net profit after tax available for equity shareholders (Rs in lakhs)	3,063	1,848
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating basic EPS (Number of shares)	3,95,13,685	3,10,72,329
Add : Effect of dilutions :-		
Compulsorily Convertible Debentures (number of shares)	-	-
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating diluted EPS (Number of shares)	3,95,13,685	3,10,72,329
Basic earnings per share	7.75	5.95
Anti - Diluted earnings per share	7.75	5.95

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

a) Particulars of relationship

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

b) Fellow subsidiaries

Welspun Projects (Himmatnagar Bypass) Private Limited
Welspun Project (Kim Mandvi Corridor) Private Limited
Dewas Waterprojects Works Private Limited
Welspun Build-Tech Private Limited
Welspun Natural Resources Private Limited
ARSS Bus Terminal Private Limited
Grenoble Infrastructure Private Limited
DME Infra Private Limited
Welspun Sattanathapuram Nagapattinam Road Private Limited
Welspun Infraconstruct Private Limited
Welsteel Enterprises Private Limited
Welspun Aunta-Simaria Project Private Limited
Welspun Infrafacility 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. Harshit Khandelwal #	Director
Mr. Vinoo Sanjay*	Director
Mr. Yogen Babulal Lal	Director
Mr. Ajay Hans ^	Additional Director
Mr Ved Mani Tiwari $	CEO
Mr Kevin Daftary**	CFO
Mr Prateek Rungta ##	Director
Mrs Aruna Sharma ^^	Independent Director
Mr. Varun Batra @	Company Secretary
Mr. Akshay Vora ^^^	Company Secretary

^^ Appointed with effect from 30 July 2020
Appointed with effect from 27 January 2021 and resigned W.e.f 01.12.2021
Ceased to be Director with effect from 16 December 2020
$ Appointed with effect from 27 October 2020 and ceased with effect from 3 December 2020
^ Ajay Hans appointed w.e.f 01.02.2022
^^^ Appointed w.e.f 01.02.2022
*Resigned W.e.f 01.02.2022
@ Resigned w.e.f. 28.10.2021
** Appointed with effect from 27 October 2020

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 Expenses		
Welspun Enterprises Limited	21,893	31,783
Project Management Expenses		
Welspun Enterprises Limited	41	205
Borrowings taken		
Welspun Enterprises Limited	2,530	12,244
Borrowings repaid		
Welspun Enterprises Limited	132	7,702
Mobilization advances given		
Welspun Enterprises Limited	-	1,471
Mobilization advances received/ adjuted		
Welspun Enterprises Limited	-	1,471
Director sitting fee		
Mrs Aruna Sharma	1	0
Conversion of borrowing to Optionally Convertible debentures		
Welspun Enterprises Limited	-	1,499
Conversion of Compulsarily convertible debentures to equity shares		
Welspun Enterprises Limited	-	9,565
Conversion of borrowing to equity shares		
Welspun Enterprises Limited	-	5,840
Guarantee provided/(discharged) for performance by		
Welspun Enterprises Limited	(1,460)	-

Closing balances as at

	As at 31 March 2022	As at 31 March 2021
Optional Convertible Debentures		
Welspun Enterprises Limited	1,499	1,499
Trade Payable		
Welspun Enterprises Limited	8,750	-
Trade Advances		
Welspun Enterprises Limited	-	6,256
Borrowings		
Welspun Enterprises Limited	4,620	2,222
Bank Guarantee outstanding		
Welspun Enterprises Limited	-	1,460

During the earlier year, Welspun Enterprises Limited ('WEL') had given guarantee on behalf of the Company for its debt obligations to lenders, pursuant to which maximum exposure aggregates to Rs Nil (31 March 2021 Rs 6,285 lakhs)

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

30 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).

31 Disclosure as required by the Appendix D of Ind AS 115

A) Disaggregation of Revenue

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

B) Contract Balances

(Rupees in lakhs)

	As at 31 March 2022	As at 31 March 2021
Contract liabilities	15,082	1,929

a) Explanation for increase in Contract liabilities

(i) A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer and an excess of billing over revenue i.e. unearned revenue. The increase in Contract liabilities in March 2022 is on account of receipt of additional mobilization advance as per the terms of the contract.

32 Concession arrangements - main features

(i) Name of the concession :	Package No.AM2
(ii) Description of arrangements :	Improvement of Road joinig district Place at Akola Dist. Akola Mhaisang, Dayapur, Length 41.49 Km (b) Improvement to Road joining Taluka Place in Akola and Amaravati District.Length - 26.80 Km, Improvement of Road, Joining Taluka Place in Akola and Amaravati District Length 22.42 Km (b) Improvement of Road joining District Place - Amaravati Dayapur, improvement of Road for Piligrime Center at KAyudanpur in Amaravati District Kurtha Kaundyapur length 40.52 Km, Imprvement of Road, Joining District Place in Amaravati District Length 28.100 Km
(iii) Significant terms of arrangements :	Bid Project Cost - 1703 Crores. Remuneration - Annuity, Intererest, O & M Price Index define in Concession Agrememt

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

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

34 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.

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

(Rupees in lakhs)

Particulars	Equity share capital	Compulsorily convertible debentures	Short term borrowings	Long term borrowings
As at 31 March 2021	3,951	-	3,721	31,424
Cash inflows	-	-	2,530	2,400
Cash outflows	-	-	(132)	-
Other Non cash charges :	-	-	-	226
As at 31 March 2022	**3,951**	**-**	**6,119**	**34,050**

(Rupees in lakhs)

Particulars	Equity share capital	Compulsorily convertible debentures	Short term borrowings	Long term borrowings
As at 31 March 2020	100	9,565	5,018	-
Cash inflows	-	-	12,244	32,100
Cash outflows	-	-	(7,702)	(3)
Other Non cash charges :	3,851	(9,565)	(5,839)	(673)
As at 31 March 2021	**3,951**	**-**	**3,721**	**31,424**

38 Corporate Social Responsibility (CSR):

Particulars	**As at 31 March 2022**
- amount required to be spent by the company during the	21
- amount of expenditure incurred	21
- shortfall at the end of the year	-
- total of previous years shortfall	NIL
- reason for shortfall	NA
- nature of CSR activities	Contribution towdards empowerment of women and socially backward class and capacity building of own personnel
- details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Welspun Foundation for Health and Knowledge
- where a provision is made with respect to a liability incurred by entering into a contractual obligation,	-

39 Other Statutory Information

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

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

(iii) The Company do not have any charges or satisfaction which is yet to be registered with 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 share premium

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

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

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

40 Estimation of uncertainity relating to COVID - 19 Outbreak

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

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

As per our report of even date

For H.K. Shah & Co. Chartered Accountants Firm Registration No.: 109583W	**For and on behalf of the Board**	
CA. Gopesh Shah Partner Membership Number - 106204	**Yogen Babulal Lal** Director DIN:01828376	**Ajay Hans** Director DIN: 00391261
	Kevin Daftary Chief Financial Officer	**Akshay Vora** Company Secretary
Place: Ahmedabad Date: 11 May 2022	Place: Mumbai Date: 11 May 2022	

35 a) 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 -

	As at 31 March 2022		As at 31 March 2021	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets (other than investment in subsidiaries, joint venture and associates)				
Non-current assets				
Service concession receivables	-	52,736	-	33,884
Current assets				
Trade receivables	-	20	-	20
Cash and cash equivalents	-	18,202	-	578
Service concession receivables	-	12,136	-	14,222
Other current financial assets	-	0	-	0
Total financial assets	**-**	**83,094**	**-**	**48,704**
Financial liabilities				
Non-current liabilities				
Borrowings	-	33,838	-	30,584
Current liabilities				
Borrowings	-	6,331	-	4,561
Trade and other payables	-	8,809	-	1,175
Other financial liabilities	-	-	-	1
Total financial liabilities	**-**	**48,978**	**-**	**36,321**

b) Fair value hierarchy

The fair values of the financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

Welspun Road Infra Private Limited

Notes forming part of the financial statements

36 Ratio Analysis and its elements

Ratio	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	1.13	2.97	-62%	On account of increase in current liabilities
(b) Debt-equity ratio	Total debt [Non-current borrowings + Current borrowings]	Total Equiity	Times	1.92	1.96	-2%	-
(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	2.65	3.05	-13%	-
(d) Return on equity ratio	Profit after tax	Average of total equity	Percentage	15.76%	13.14%	20%	-
(e) Inventory turnover ratio	Costs of materials consumed	Average inventories	Times	Not applicable	Not applicable	Not applicable	Not applicable
(f) Trade receivables turnover ratio	Revenue from operations	Average trade receivables	Times	Not applicable	Not applicable	Not applicable	Not applicable
(g) Trade payables turnover ratio	Subcontracting costs + other expenses	Average trade payables	Times	4.65	4.70	-1%	-
(h) Net capital turnover ratio	Revenue from operations	Average Working capital {[Current assets - Current liabilities]/2}	Times	2.45	-20.50	-112%	On account of decrease in revenue and increase in working capital
(i) Net profit ratio	Profit after tax	Revenue from operations	Percentage	13.21%	4.97%	166%	On account of increase in profit after tax in F.Y. 2021-22 as compared to 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 + Non- Current borrowings +Current borrowings]	Percentage	11.38%	8.13%	40%	On account of increase in Earnings before depreciation and amortisation, interest and tax and decrease in capital employed
(k) Return on investment	Not applicable	Not applicable	Not applicable	Not applicable	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.