

# SUREKA ASSOCIATES

*Chartered Accountants*

45 C, Mandhana Manor, Mogal Lane,  
Matunga Road (W), Mumbai 400 016  
TEL : 2430 6150, 2432 7608  
EMAIL : suresh@surekas.com

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **RGY ROADS PRIVATE LIMITED**

### **Report on the Audit of the Standalone Ind AS Financial Statements**

#### **Opinion**

We have audited the accompanying standalone Ind AS financial statements of **RGY ROADS PRIVATE LIMITED** ("the Company"), which comprise the Balance sheet as at March 31 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### **Basis for Opinion**

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

#### **Responsibility of Management for the Standalone Ind AS financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.



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In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Standalone Ind AS financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;





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- (g) The provisions of section 197 read with Schedule V of the Act are not applicable to the Company for the year ended March 31, 2021;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For SUREKA ASSOCIATES**  
**Chartered Accountants**  
**Firm's Registration No. 110640W**

**Suresh Sureka**  
**Partner**  
**Membership No. 34132**

**UDIN : 21034132AAAACN4515**

Place : Mumbai  
Date : 14<sup>th</sup> May, 2021



# SUREKA ASSOCIATES

*Chartered Accountants*

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EMAIL :suresh@surekas.com

## ANNEXURE 1 TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 1 of the Independent Auditors' Report of even date to the members of **RGY ROADS PRIVATE LIMITED** on the financial statements as of and for the year ended March 31, 2021

- i. The Company does not have any fixed assets. Hence the question of records and physical verification thereof does not arise.
- ii. The Company does not have any inventory. Hence, the question of verification thereof does not arise.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of 186 of the Companies Act, 2013 in respect of the investments made.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is not required to maintain cost records as specified under Section 148(1) of the Act in respect of its business.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of income tax and service tax, and is regular in depositing undisputed statutory dues, including provident fund, sales tax, duty of customs, value added tax and other material statutory dues, as applicable, with the appropriate authorities.  
  
(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, service-tax, duty of customs, duty of excise or value added tax which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company does not have any borrowings from banks or financial institutions or has not issued any debentures. Hence the question of any default does not arise.
- ix. In our opinion, and according to the information and explanations given to us, the Company has not raised any moneys by way of term loans nor by way of initial public offer.



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- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid nor provided for any managerial remuneration during the year.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standards (Ind As) 24 Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

**For SUREKA ASSOCIATES**  
**Chartered Accountants**  
**Firm's Registration No. 110640W**

**Suresh Sureka**  
**Partner**  
**Membership No. 34132**

**UDIN : 21034132AAAACN4515**

Place : Mumbai  
Date : 14<sup>th</sup> May, 2021





# SUREKA ASSOCIATES

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## ANNEXURE 2 TO INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2(f) of the Independent Auditors' Report of even date to the members of **RGY ROADS PRIVATE LIMITED** on the financial statements as of and for the year ended March 31, 2021

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act**

1. We have audited the internal financial controls over financial reporting of **RGY ROADS PRIVATE LIMITED** ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's Responsibility for Internal Financial Controls**

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

### **Auditors' Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



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## Meaning of Internal Financial Controls Over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For SUREKA ASSOCIATES**

**Chartered Accountants**

**Firm's Registration No. 110640W**

**Suresh Sureka**

**Partner**

**Membership No. 34132**

**UDIN : 21034132AAAACN4515**

Place : Mumbai

Date : 14<sup>th</sup> May, 2021





RGY Roads Private Limited

Balance Sheet as at 31 March 2021

		(Rupees in lakhs)	
	Notes	As at 31 March 2021	As at 31 March 2020
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Financial assets			
(i) Investments	4	6,375.68	6,375.68
<b>Total non-current assets</b>		<b>6,375.68</b>	<b>6,375.68</b>
<b>2. Current assets</b>			
(a) Financial assets			
(i) Cash and cash equivalents	5	1.30	1.30
<b>Total current assets</b>		<b>1.30</b>	<b>1.30</b>
		<b>6,376.98</b>	<b>6,376.98</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	6	1.00	1.00
(b) Instrument entirely equity in nature	6	6,372.91	6,372.91
(c) Other equity	6	(0.55)	(0.10)
<b>Total equity</b>		<b>6,373.36</b>	<b>6,373.81</b>
<b>LIABILITIES</b>			
<b>1. Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	7	3.15	2.70
(ii) Trade payables	8		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		0.45	0.47
(b) Other current liabilities	9	0.02	-
<b>Total current liabilities</b>		<b>3.62</b>	<b>3.17</b>
<b>Total equity and liabilities</b>		<b>6,376.98</b>	<b>6,376.98</b>

Notes forming part of the financial statements (Refer note 1 to 21)

As per our report of even date attached.

**FOR SUREKA ASSOCIATES**

Chartered Accountants

FRN : 110640W

**Suresh Sureka**  
Partner  
Membership No: 34132

Place: Mumbai  
Date: 14 May 2021



For and on behalf of the Board of Directors

**Lalit Kumar Jain**  
Director  
DIN : 08382081

Place: Mumbai  
Date: 14 May 2021

**Jayanti Venkataraman**  
Director  
DIN : 01930389



RGY Roads Private Limited

Statement of Profit and Loss for the year ended 31 March 2021

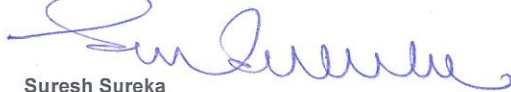
(Rupees in lakhs)

	Note	Year ended 31 March 2021	Year ended 31 March 2020
<b>I. Income</b>			
Revenue from operations		-	-
Other income		-	-
<b>Total income</b>		<b>-</b>	<b>-</b>
<b>II. Expenses</b>			
Other expenses	10	0.45	0.40
<b>Total expenses</b>		<b>0.45</b>	<b>0.40</b>
<b>III. Loss before exceptional items and tax ( I - II )</b>			
		<b>(0.45)</b>	<b>(0.40)</b>
<b>IV. Exceptional items (net)</b>			
		-	-
<b>V. Loss before tax ( III - IV )</b>			
		<b>(0.45)</b>	<b>(0.40)</b>
<b>VI. Tax expense</b>			
- Current tax		-	-
- MAT Credit entitlement		-	-
<b>Total tax expense</b>		<b>-</b>	<b>-</b>
<b>VII. Loss for the year ( V - VI )</b>			
		<b>(0.45)</b>	<b>(0.40)</b>
<b>VIII. Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
- Remeasurement gains/(losses) on defined benefit plan		-	-
Income tax effect on above		-	-
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>IX. Total comprehensive income for the year (VII-VIII)</b>			
		<b>(0.45)</b>	<b>(0.40)</b>
Earnings per equity share of Rs. 10 each fully paid-up	14		
Basic EPS (Rs)		(4.45)	(3.98)
Diluted EPS (Rs)		(4.45)	(3.98)

Notes forming part of the financial statements (Refer note 1 to 21)

As per our report of even date attached.

**FOR SUREKA ASSOCIATES**  
Chartered Accountants  
FRN : 110640W

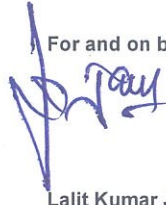


**Suresh Sureka**  
Partner  
Membership No: 34132

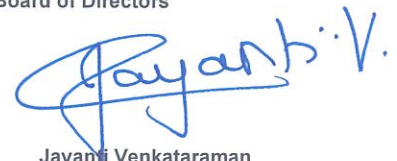
Place: Mumbai  
Date: 14 May 2021



For and on behalf of the Board of Directors



**Lalit Kumar Jain**  
Director  
DIN : 08382081



**Jayanti Venkataraman**  
Director  
DIN : 01930389

RGY Roads Private Limited

Statement of changes in equity for the year ended 31 March 2021

Equity share capital

(Rupees in lakhs)

	Amount
Balances as at 31 March 2019	1.00
Changes in equity share capital	-
Balances as at 31 March 2020	1.00
Changes in equity share capital	-
Balances as at 31 March 2021	1.00

Instrument entirely equity in nature

Equity component of Compulsorily Convertible Debentures

(Rupees in lakhs)

	Amount
Balances as at 31 March 2019	6,372.91
Instrument entirely equity in nature	-
Balances as at 31 March 2020	6,372.91
Instrument entirely equity in nature	-
Balances as at 31 March 2021	6,372.91

Other equity

	Retained earnings	Total other equity
Balances as at 31 March 2019	0.30	0.30
(Loss) for the year	(0.40)	(0.40)
Total comprehensive income for the year	(0.40)	(0.40)
Balances as at 31 March 2020	(0.10)	(0.10)
(Loss) for the year	(0.45)	(0.45)
Total comprehensive income for the year	(0.55)	(0.55)
Balances as at 31 March 2021	(0.55)	(0.55)

Notes forming part of the financial statements (Refer note 1 to 21)

As per our report of even date attached.

FOR SUREKA ASSOCIATES

Chartered Accountants

FRN : 110640W



Suresh Sureka  
Partner  
Membership No: 34132

Place: Mumbai  
Date: 14 May 2021



For and on behalf of the Board of Directors



Lalit Kumar Jain  
Director  
DIN : 08382081

Place: Mumbai  
Date: 14 May 2021



Jayanti Venkataraman  
Director  
DIN : 01930389



RGY Roads Private Limited

Statement of Cash Flow for the year ended 31 March 2021

	(Rupees in lakhs)	
	31 March 2021	31 March 2020
<b>Cash flows from operating activities</b>		
Net Profit/(Loss) before tax and exceptional items	(0.45)	(0.40)
(Decrease)/ Increase in trade and other payables	(0.02)	(0.11)
(Decrease)/ Increase in other current liabilities	0.02	-
Cash Generated/ (used) from/ in Operation	(0.45)	(0.51)
Tax Paid (net)	-	-
<b>Net cash flow (used in) operating activities (A)</b>	<b>(0.45)</b>	<b>(0.51)</b>
<b>Cash flows from financing activities</b>		
Proceeds from short term borrowings (net)	0.45	0.13
<b>Net cash flow from in financing activities (B)</b>	<b>0.45</b>	<b>0.13</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B)</b>	<b>0.01</b>	<b>(0.38)</b>
Cash and cash equivalents at the beginning of the year	1.30	1.68
<b>Cash and cash equivalents at the end of the year</b>	<b>1.30</b>	<b>1.30</b>
Cash and cash equivalent	1.30	1.30
<b>Total cash and cash equivalents</b>	<b>1.30</b>	<b>1.30</b>

Notes forming part of the financial statements (Refer note 1 to 21)

As per our report of even date attached.

FOR SUREKA ASSOCIATES

Chartered Accountants

FRN : 110640W

Suresh Sureka  
Partner  
Membership No: 34132

Place: Mumbai  
Date: 14 May 2021



For and on behalf of the Board of Directors

Lalit Kumar  
Director  
DIN : 08382C

Jayanti Venkataraman  
Director  
DIN : 01930389

RGY Roads Private Limited

Notes forming part of the financial statements

Financial assets

4 Non-current investments	(Rupees in lakhs)	
	As at 31 March 2021	As at 31 March 2020
<b>Unquoted - Trade</b>		
<b>Investment in joint arrangement</b>		
MBL (CGRG) Road Limited *		
25,450 (31 March 2020 : 25,450) Equity Shares of Rs 10 each fully paid.	1.38	1.38
2,823,455 (31 March 2020 : 2,823,455) unsecured compulsorily convertible debentures of Rs. 100 each fully paid up #	2,823.46	2,823.46
MBL (GSY) Road Limited *		
25,450 (31 March 2020 : 25,450) Equity Shares of Rs 10 each fully paid.	1.38	1.38
3,549,455 (31 March 2020 : 3,549,455) unsecured compulsorily convertible debentures of Rs. 100 each fully paid up #	3,549.46	3,549.46
<b>Total</b>	<b>6,375.68</b>	<b>6,375.68</b>

\* Shares are pledged in favour of Security Trustee for the loan obtained by MBL (GSY) Road Limited and MBL (CGRG) Road Limited.

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

5 Cash and cash equivalents	(Rupees in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Balances with banks		
- In current accounts	1.30	1.30
<b>Total</b>	<b>1.30</b>	<b>1.30</b>





## RGY Roads Private Limited

### Notes forming part of the financial statements

#### 1 Company information

RGY Roads Private Limited, ('the Company') is domiciled and incorporated in India. The Company is joint arrangement between Welspun Enterprises Limited and MBL Projects Limited. The Company is engaged into infrastructure development on Hybrid Annuity model basis.

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

#### 2 Basis of preparation

(a) The financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act and rules framed thereunder.

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

The financial statements are presented in Indian Rupees ('INR') with values rounded off to the nearest lakhs with two decimals, thereof, except otherwise indicated.

#### 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.

##### i) Property, plant and equipment

Property, plant and equipment acquired are measured on initial recognition at cost. 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.

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.



## RGY Roads Private Limited

### Notes forming part of the financial statements

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

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

#### ii) Impairment of non-financial assets

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

#### iii) Service concession arrangements

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

Under Appendix C to Ind AS 115 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The 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.

In the financial assets model, the amount due from the grantor meet the identification of the receivable which is measured at fair value. Based on business model assessment, the Company measures such financial assets at fair value and subsequently also classifies the same as fair value through profit and loss ("FVTPL"). Any assets carried under concession arrangement is derecognised on disposal or when no future economic benefits are expected from its future use or disposal or when the contractual rights to the financial assets expire.

#### iv) Revenue recognition

Revenue 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 Group expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements.

#### v) Taxes on income

##### a) Current tax

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





**RGY Roads Private Limited**

**Notes forming part of the financial statements**

**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.

**vi) Foreign currency transactions**

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

**vii) Cash and cash equivalents**

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

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

**viii) Earnings per share**

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

**ix) Provisions, contingent liabilities and contingent assets**

**a) Provisions**

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



## RGY Roads Private Limited

### Notes forming part of the financial statements

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

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

#### b) Contingent liabilities and contingent assets

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

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

#### x) Financial instruments

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

### A. Financial assets

#### Initial recognition and measurement

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

#### Subsequent measurement

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

- a) Debt instruments measured at amortised cost
- b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)
- c) Debt instruments measured at fair value through profit or loss (FVTPL)
- d) Equity instruments measured at FVTOCI or FVTPL

#### 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.





## RGY Roads Private Limited

### Notes forming part of the financial statements

#### 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)



## RGY Roads Private Limited

### Notes forming part of the financial statements

#### a) Financial liabilities measured at amortised cost

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

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

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

#### Derecognition

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

#### xi) Fair value measurement

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

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

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

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

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

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

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

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

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

#### xii) Government grants

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

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





**RGY Roads Private Limited**

**Notes forming part of the financial statements**

**xiii) Borrowing costs**

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

**xiv) Exceptional items**

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

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

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

**a) Contingencies and commitments**

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

**b) Impairment testing**

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

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

**c) 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 entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.



**RGY Roads Private Limited**

**Notes forming part of the financial statements**

**d) Recent pronouncements**

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them (as may be applicable) as required by law.





RGY Roads Private Limited

Notes forming part of the financial statements

6 Equity

6(a) - Equity share capital

(Rupees in lakhs)

	As at 31 March 2021	As at 31 March 2020
<b>Authorised share capital</b>		
10,000 (31 March 2020: 10,000) Equity Shares of Rs.10 each fully paid up	1.00	1.00
<b>Issued, subscribed and paid up</b>		
10,000 (31 March 2020: 10,000) Equity Shares of Rs.10 each fully paid up	1.00	1.00
	<b>1.00</b>	<b>1.00</b>

**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) Shares held by holding/ ultimate holding companies and / or their subsidiaries/ associates/ Co-venturer

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% Holding	Number of shares	% Holding
Welspun Enterprises Limited	4,900	49.00%	4,900	49.00%
MBL Projects Limited	5,090	50.90%	5,090	50.90%

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% Holding	Number of shares	% Holding
Welspun Enterprises Limited	4,900	49.00%	4,900	49.00%
MBL Projects Limited	5,090	50.90%	5,090	50.90%

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the period	10,000	1.00	10,000	1.00
Add : Shares issued during the year	-	-		
Number of shares at the end of the period	10,000	1.00	10,000	1.00



RGY Roads Private Limited

Notes forming part of the financial statements

6(b) - Instrument entirely equity in nature

Equity component of Compulsorily Convertible Debentures of Rs 100 each fully paid

Particulars	As at	As at
	31 March 2021	31 March 2020
0%, 6,372,910 (31 March 2020: 6,372,910) units of Rs 100 each, fully paid up	6,372.91	6,372.91
<b>Total</b>	<b>6,372.91</b>	<b>6,372.91</b>

The above table covers the equity component of the issued unsecured compulsorily convertible debentures. Each debenture shall be compulsorily convertible into 10 equity shares of Rs 10 each at the end of the tenure i.e. 5 years or before the end of the tenure provided mutually agreed upon.

6(c) - Other Equity

(Rupees in lakhs)

	As at	As at
	31 March 2021	31 March 2020
Retained earnings	(0.55)	(0.10)
<b>Total</b>	<b>(0.55)</b>	<b>(0.10)</b>

(i) Retained earnings

(Rupees in lakhs)

	As at	As at
	31 March 2021	31 March 2020
Opening balance	(0.10)	0.30
Total Comprehensive income for the year	(0.45)	(0.40)
<b>Closing balance</b>	<b>(0.54)</b>	<b>(0.10)</b>





RGY Roads Private Limited

Notes forming part of the financial statements

7 Current financial liabilities - borrowings	(Rupees in lakhs)	
	As at 31 March 2021	As at 31 March 2020
(Unsecured)		
Borrowing from related party	3.15	2.70
<b>Total</b>	<b>3.15</b>	<b>2.70</b>

**Terms of repayment for unsecured borrowings**

The borrowing payable to Welspun Enterprises Limited is repayable on demand

8 Trade payables	(Rupees in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Total outstanding dues of micro enterprises and small enterprises		
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.45	0.47
<b>Total</b>	<b>0.45</b>	<b>0.47</b>

As at 31 March 2021 and 31 March 2020 there are no outstanding dues to Micro, Small and Medium Enterprises. There is no interest due or outstanding on the same.

9 Other current liabilities	(Rupees in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Statutory dues payable	0.02	-
<b>Total</b>	<b>0.02</b>	<b>-</b>



RGY Roads Private Limited

Notes forming part of the financial statements

10 Other expenses

	(Rupees in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Rates and taxes	0.05	-
Legal and professional fees	-	0.15
Payment to Auditor :-		
- As Auditor	0.25	0.25
ROC filing fees	0.15	-
<b>Total</b>	<b>0.45</b>	<b>0.40</b>





RGY Roads Private Limited

Notes forming part of the financial statements

11 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

**a) 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 2021	As at 31 March 2020
Variable rate borrowings	Nil	Nil

**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 2021	Year ended 31 March 2020
Interest rates : (Increase) by 50 basis points	Nil	Nil
Interest rates : Decrease by 50 basis points	Nil	Nil

**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.

**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 2021

(Rupees in lakhs)

	Total	Less than 1 year	1 to 5 years
<b>Financial Liabilities</b>			
Borrowings	3.15	3.15	-
Trade payables	0.45	0.45	-
<b>Total</b>	<b>3.60</b>	<b>3.60</b>	<b>-</b>

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31 March 2020:

(Rupees in lakhs)

	Total	Less than 1 year	1 to 5 years
<b>Financial Liabilities</b>			
Borrowings	2.70	2.70	-
Trade payables	0.47	0.47	-
<b>Total</b>	<b>3.17</b>	<b>3.17</b>	<b>-</b>



RGY Roads Private Limited

Notes forming part of the financial statements

12 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 2021	As at 31 March 2020
Borrowing from related parties	3.15	2.70
Trade payables	0.45	0.47
Other current liabilities	0.02	-
Less : cash and cash equivalents	(1.30)	(1.30)
<b>Net Debt</b>	<b>2.31</b>	<b>1.87</b>
Equity share	1.00	1.00
Other equity	(0.55)	(0.10)
<b>Total Capital</b>	<b>0.45</b>	<b>0.90</b>
<b>Capital and net debt</b>	<b>2.77</b>	<b>2.77</b>
<b>Capital Gearing Ratio</b>	<b>83.56%</b>	<b>67.56%</b>

No changes were made in the objectives, policies and processes for managing capital during the period ended 31 March 2021 and 31 March 2020.





RGY Roads Private Limited

Notes forming part of the financial statements

13 Fair value measurements

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

Financial instruments by category (Rupees in lakhs)

	As at 31 March 2021		As at 31 March 2020	
	FVTPL Amortised		FVTPL	Amortised Cost
<b>Financial assets (other than investment in subsidiaries, joint venture and associates)</b>				
<b>Current assets</b>				
Cash and cash equivalents	-	1.30	-	1.30
<b>Total financial assets</b>	-	<b>1.30</b>	-	<b>1.30</b>
<b>Financial liabilities</b>				
<b>Current liabilities</b>				
Borrowings	-	3.15	-	2.70
Trade and other payables	-	0.45	-	0.47
<b>Total financial liabilities</b>	-	<b>3.60</b>	-	<b>3.17</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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

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

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

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

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



RGY Roads Private Limited

Notes forming part of the financial statements

14 Earnings per share (EPS)

	(Rupees in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Net profit after tax available for equity shareholders (Rs in lakhs)	(0.45)	(0.40)
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating basic EPS (Number of shares)	10,000	10,000
Add: Effect of dilution:-		
Compulsorily convertible debentures *	63,729,100	63,729,100
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating diluted EPS (Number of shares)	63,739,100	63,739,100
Basic earnings per share (Rs)	(4.45)	(3.98)
Diluted earnings per share (Rs)	(4.45)	(3.98)

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

15 Commitment and contingencies

There are no contingent liabilities and commitments as at 31 March 2021 and 31 March 2020

16 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.

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

a) Particulars of relationship

Name of the entities	Extent of holding		Relationship
	As at 31 March 2021	As at 31 March 2020	
Welspun Enterprises Limited	49.00%	49.00%	Co-venturer
MBL Projects Limited	50.90%	50.90%	Co-venturer

b) Joint Arrangements

MBL (CGRG) Road Limited	50.90%
MBL (GSY) Road Limited	50.90%

c) Directors / Key managerial Personnel (KMP)

Name of the Related Parties	
Mr Sunil Agrawal #	Director
Mrs Jayanti Venkatraman ##	Director
Mr Lalit Kumar Jain	Director
Mr Jitendra Jain ^^	Director
Mr Harshit Khandelwal @	Director

# with effect from 14 January 2021

## with effect from 22 June 2020

^^ Ceased to be Director from 24 June 2020

@ Ceased to be Director from 16 December 2020

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

Nature of transactions	(Rupees in lakhs)	
	Year ended 31 March 2021	Year ended 31 March 2020
Reimbursement for expenses Welspun Enterprises Limited	0.45	0.13





RGY Roads Private Limited

Notes forming part of the financial statements

Closing balances as at		(Rupees in lakhs)	
Nature of transactions	As at 31 March 2021	As at 31 March 2020	
<b>Investment in Joint Arrangement</b>			
MBL (CGRG) Road Limited	1.38	1.38	
MBL (GSY) Road Limited	1.38	1.38	
<b>Investment in compulsorily convertible debentures</b>			
MBL (CGRG) Road Limited	2,823.46	2,823.46	
MBL (GSY) Road Limited	3,549.46	3,549.46	
<b>Short term borrowings</b>			
Welspun Enterprises Limited	3.15	2.70	
<b>Compulsorily convertible debentures issued</b>			
Welspun Enterprises Limited	6,372.91	6,372.91	

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.

**18 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	Compulsorily convertible debentures	Short term borrowings
<b>As at 31 March 2020</b>	1.00	6,372.91	2.70
Cash inflows	-	-	0.45
Cash outflows	-	-	-
<b>As at 31 March 2021</b>	<b>1.00</b>	<b>6,372.91</b>	<b>3.15</b>

	Equity share capital	Compulsorily convertible debentures	Short term borrowings
<b>As at 31 March 2019</b>	1.00	6,372.91	2.56
Cash inflows	-	-	0.13
Cash outflows	-	-	-
<b>As at 31 March 2020</b>	<b>1.00</b>	<b>6,372.91</b>	<b>2.70</b>

**19a** 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.

**19b 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.

**20 Estimation of uncertainty relating to COVID - 19 Outbreak**

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



RGY Roads Private Limited

Notes forming part of the financial statements

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

As per our report of even date attached.

FOR SUREKA ASSOCIATES  
Chartered Accountants  
FRN : 110640W

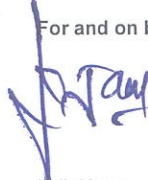


Suresh Sureka  
Partner  
Membership No: 34132

Place: Mumbai  
Date: 14 May 2021

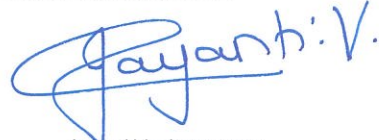


For and on behalf of the Board of Directors



Lalit Kumar Jain  
Director  
DIN : 08382081

Place: Mumbai  
Date: 14 May 2021



Jayanti Venkataraman  
Director  
DIN : 01930389