

## Independent Auditor's Report

To  
The Members of  
**Chikhali-Tarsod Highways Private Limited**

### Report on the audit of financial statements

#### 1. Opinion

We have audited the accompanying financial statements of **Chikhali-Tarsod Highways Private Limited** ("the Company"), which comprise the balance sheet as at 31 March 2022, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at 31 March 2022, and its profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### 2. Basis for opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) 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 financial statements section 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 (ICAI) 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 ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 3. Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report along with annexures, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



#### 4. Management's responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

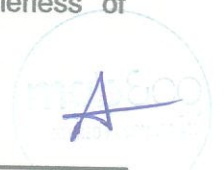
In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends 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.

#### 5. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **6. Report on other legal and regulatory requirements**

- A. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order.
- B. 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 other comprehensive income, the statement of changes in equity and the statement of cash flow dealt with by this report are in agreement with the books of account.

- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2022 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration during the year.

- 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, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer note 39B of the financial statements);
  - ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a. The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, 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 on behalf of the Ultimate Beneficiaries:
    - b. The Management has represented, that, to the best of its knowledge and belief, no funds ( which are material either individually or in the aggregate ) have been received by the company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, 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;

- c. Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub clause (i) and (ii) of the Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend has been declared or paid by the Company during the financial year covered by our audit.

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

*Amit Kothari*

**Amit Kumar Kothari**  
Partner  
Membership Number 222726  
Mumbai, 11 May 2022  
UDIN: 22222726AKTFCJ6219



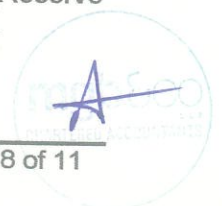
**Annexure - A to the Independent Auditor's Report**

**Annexure referred to in Paragraph 6 (A) under the heading "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of the Company on the financial statements for the year ended 31 March 2022, we report that:**

- i. (a) The Company does not have any Property, Plant and Equipment and intangible assets and hence clause 3(i)(a) of the Order is not applicable.
- (b) The Company does not have any property, plant and equipment as at 31 March 2022 and hence clause 3(i)(b) of the Order is not applicable.
- (c) The Company does not have any immovable property under property, plant and equipment and hence clause 3(i)(c) of the Order is not applicable.
- (d) The Company does not have any Property, Plant and Equipment (including Right-of-use assets) and intangible assets and hence clause 3(i)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The Company does not have any inventory and hence reporting under clause 3(ii)(a) of the order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, at any points of time during the year, from banks and financial institutions, on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the order is not applicable.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year and hence reporting under clause 3(iii)(a) to 3(iii)(f) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, the Company has Complied with the provisions of Section 185 and 186, to the extent applicable, in respect of loan, investment, guarantee and security.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of such records with a view to determine whether they are accurate or complete.

- vii. According to the records of the Company, examined by us and information and explanations given to us:
- a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues as applicable have generally been regularly deposited with the appropriate authorities except delay in few cases. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2022 for a period of more than six months from the date they became payable.
  - b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2022 on account of any dispute.
- viii. According to the records of the Company examined by us, and information and explanations given to us, there were no transactions related to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - (c) In our opinion and according to the information and explanations given to us, the Company has utilized the money obtained by way of term loans during the year for the purposes for which they were obtained.
  - (d) According to the information and explanations given to us, and on an overall examination of the financial statements of the Company, we report that funds raised on short-term basis have not been utilized for long-term purposes considering the financial support/commitment received from Holding Company.
  - (e) The Company does not have any subsidiary or joint venture or associate and hence reporting under clause 3(ix)(e) of the Order is not applicable.
  - (f) The Company does not have any subsidiary or joint venture or associate and hence reporting under clause 3(ix)(f) of the Order is not applicable.
- x. (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the records of the Company examined by us, and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.

- xi. (a) 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 been informed of any such case by the Management.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there were no whistle-blower complaints received by the Company during the year.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. According to the records examined by us, and information and explanations given to us, transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and details of such transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards. Further, as explained to us, the provisions of Section 177 are not applicable to the Company.
- xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) According to the information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a) of the Order is not applicable.
- (b) According to the information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(b) of the Order is not applicable.
- (c) According to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable.
- (d) As represented by Management, the Company has three Core Investment Companies (CIC) within the group of the Company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) which are exempt from registration with Reserve Bank of India.





- xvii. The Company has not incurred cash losses in the current year but incurred cash loss of Rs. 2.71 lakhs in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and hence reporting under clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. According to the information and explanations given to us, the Company is not required to spend towards Corporate Social responsibility (CSR) and hence clause 3(xx) of the Order is not applicable.

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

*Amit Kothari*

**Amit Kumar Kothari**  
Partner  
Membership Number 222726  
Mumbai, 11 May 2022  
UDIN: 2222726AKTFCJ6219



## Annexure - B to the Independent Auditor's Report

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 6(B)(f) under "Report on Other Legal and Regulatory requirements" of our Report of even date to the members of the Company on the financial statements for the year ended 31 March 2022.**

We have audited the internal financial controls over financial reporting of **Chikhali-Tarsod Highways Private Limited** ("the Company") as at 31 March 2022 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**

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 (the "Guidance Note") 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.

### **Auditor's responsibility**

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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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.

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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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.



**Meaning of internal financial controls over financial reporting**

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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**

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**

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 31 March 2022, 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 issued by the Institute of Chartered Accountants of India.

**For MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169WW-100035

*Amit Kothari*

**Amit Kumar Kothari**

Partner

Membership Number 222726

Mumbai, 11 May 2022

UDIN: 22222726AKTFCJ6219



Chikhali-Tarsod Highways Private Limited

Balance Sheet as at 31 March 2022

(Rupees in lakhs)

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

Notes forming part of the financial statements

1 to 41

As per our report of even date.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169WW-100035

*Amit Kumar Kothari*

Amit Kumar Kothari

Partner

Membership Number 222726

Place: Mumbai

Date: 11 May 2022



For and on behalf of the Board

*Jayanti V.*

Jayanti Venkatraman

Director

DIN 01930389

*Vinoo Sanjay*

Vinoo Sanjay

Director

DIN : 07470339

Place: Mumbai

Date: 11 May 2022



Chikhali-Tarsod Highways Private Limited

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

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

As per our report of even date.

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

*Amit Kothari*

**Amit Kumar Kothari**  
Partner  
Membership Number 222726

Place: Mumbai  
Date: 11 May 2022



**For and on behalf of the Board**

*Jayanti V.*

**Jayanti Venkatraman**  
Director  
DIN 01930389

Place: Mumbai  
Date: 11 May 2022

*Vinoo Sanjay*

**Vinoo Sanjay**  
Director  
DIN : 07470339



Chikhali-Tarsod Highways Private Limited

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

A. Equity share capital

(Rs in lakhs)

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

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

B. Instruments entirely equity in nature

(Rupees in lakhs)

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

C. Other equity

(Rupees in lakhs)

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

Nature and purpose of reserves :-

Retained earnings

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

Notes forming part of the financial 1 to 41

As per our report of even date.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169WW-100035

*Amit Kothari*

Amit Kumar Kothari

Partner

Membership Number 222726

Place: Mumbai

Date: 11 May 2022



For and on behalf of the Board

*Jayanti V.*

Jayanti Venkatraman

Director

DIN 01930389

Place: Mumbai

Date: 11 May 2022

*Vinoo Sanjay*

Vinoo Sanjay

Director

DIN : 07470339



Chikhali-Tarsod Highways Private Limited

Statement of Cash Flows for the year ended 31 March 2022

(Rupees in lakhs)

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

Notes:

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

Balances with banks in current accounts	38	15
<b>Total cash and cash equivalents</b>	<b>38</b>	<b>15</b>

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

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

Notes forming part of the financial statements

1 to 41

As per our report of even date.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

*Amit Kumar Kothari*

Amit Kumar Kothari

Partner

Membership Number 222726

Place: Mumbai

Date: 11 May 2022

For and on behalf of the Board

*Jayanti Venkatraman*

Jayanti Venkatraman

Director

DIN 01930389

Place: Mumbai

Date: 11 May 2022

*Vinoo Sanjay*

Vinoo Sanjay

Director

DIN : 07470339



## Chikhali-Tarsod Highways Private Limited

### Notes forming part of the financial statements

#### 1 Company information

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

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

#### 2 Basis of preparation

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

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

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

#### 3 (A) Significant accounting policies

##### i) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

The Company classifies all other liabilities as non-current.

The Company has identified 12 months as its operating cycle.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

##### ii) Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria is met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. The carrying amount of the replaced part accounted for as a separate asset previously is derecognized. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

All other repair and maintenance costs are recognised in the statement of profit and loss when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

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

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





## Chikhali-Tarsod Highways Private Limited

### Notes forming part of the financial statements

#### 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



## Chikhali-Tarsod Highways Private Limited

### Notes forming part of the financial statements

#### b) Services revenue

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

#### c) Variable consideration

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

#### d) Interest income

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

#### e) Contract Balances

##### Contract assets and contract liabilities

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

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

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

##### Trade receivables

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

#### f) Cost to obtain a contract

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

#### g) Financing components

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

#### h) Loss making contracts

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



## Chikhali-Tarsod Highways Private Limited

### Notes forming part of the financial statements

#### vi) Taxes on income

##### a) Current tax

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

##### b) Deferred tax

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

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

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

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

#### vii) Foreign currency transactions

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

#### viii) Cash and cash equivalents

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

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

#### ix) Earnings per share

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

#### x) Provisions, contingent liabilities and contingent assets

##### a) Provisions

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



## Chikhali-Tarsod Highways 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.

#### **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.



## Chikhali-Tarsod Highways 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 (except as referred in 3 (A) (iv) as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

#### d) Equity instruments

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

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

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

#### B. Derecognition of financial assets

A financial asset is derecognised only when

- i) The Company has transferred the rights to receive cash flows from the financial asset or
- ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

#### C. Reclassification of financial instruments

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

#### D. Impairment of financial assets

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

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

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

- i) the twelve months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within twelve after the reporting date) or
- ii) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument)

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

A

## Chikhali-Tarsod Highways Private Limited

### Notes forming part of the financial statements

#### E. Financial liabilities

##### a) Initial recognition and measurement

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

##### b) Subsequent measurement

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

- i) Financial liabilities measured at amortised cost
- ii) Financial liabilities measured at FVTPL (fair value through profit or loss)

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

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

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

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

##### c) Derecognition

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

##### xii) Fair value measurement

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

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

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

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

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

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

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

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



## Chikhali-Tarsod Highways Private Limited

### Notes forming part of the financial statements

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

#### xiii) Government grants

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

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

#### xiv) Borrowing costs

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

#### xv) Exceptional items

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

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

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

#### a) Revenue from contracts with customers

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

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

#### b) Contingencies and commitments

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

#### c) Impairment testing

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

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



## Chikhali-Tarsod Highways Private Limited

### Notes forming part of the financial statements

#### d) Taxes

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

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

#### e) Fair Value Measurement

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

### 3 (C) Recent pronouncements

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

#### Ind AS 103 – Reference to conceptual framework

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

#### Ind AS 16 – Proceeds before intended use

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

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

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





Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

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

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

13 Share capital and other equity

13(a) - Equity share capital

	(Rupees in lakhs)	
	As at 31 March 2022	As at 31 March 2021
<b>Authorised share capital</b>		
1,000,000 (1,000,000 31 March 2021) equity Shares of Rs.10 each fully paid up	100	100
<b>Total authorised share capital</b>	<b>100</b>	<b>100</b>
<b>Issued, subscribed and paid up equity share capital</b>		
1,000,000 (1,000,000 31 March 2021) equity Shares of Rs.10 each fully paid up	100	100
<b>Total issued, subscribed and paid up equity share capital</b>	<b>100</b>	<b>100</b>

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

	As at 31 March 2022		As at 31 March 2021	
	Number of equity shares	(Rupees in lakhs)	Number of equity shares	(Rupees in lakhs)
<b>At the beginning of the year</b>	1,000,000	100	1,000,000	100
Add : Issued during the year	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>1,000,000</b>	<b>100</b>	<b>1,000,000</b>	<b>100</b>

ii) Rights, preference and restriction on shares

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

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

iii) Shares held by holding/ ultimate holding companies and / or their subsidiaries/ associates

	As at 31 March 2022		As at 31 March 2021	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Welspun Enterprises Limited and its nominees - coventurers	490,000	49.00%	490,000	49.00%
Corbello Trading Private Limited - coventurers	510,000	51.00%	510,000	51.00%

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

Welspun Enterprises Limited and its nominees - coventurers	490,000	49.00%	490,000	49.00%
Corbello Trading Private Limited - coventurers	510,000	51.00%	510,000	51.00%

v) The Company has not issued any bonus shares, shares issued for consideration other than cash and shares bought back during the last five years immediately preceding the reporting date 31 March 2022.

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

13 Share capital and other equity

vi) Details of promoters shareholding

Name of promoters	As at 31 March 2022		
	Number of shares	% of total shares	% Change during the year
Welspun Enterprises Limited	489,995	49%	0%
Corbello Trading Private Limited	510,000	51%	0%
Devanshu Parekh (Nominee of Welspun Enterprises Limited)	1	0%	0%
Devendra Patil (Nominee of Welspun Enterprises Limited)	1	0%	0%
Shashikant Thorat (Nominee of Welspun Enterprises Limited)	1	0%	0%
Saji Padmanabhan (Nominee of Welspun Enterprises Limited)	1	0%	0%
Riddhi Patil & Devendra Patil (Nominee of Welspun Enterprises Limited)	1	0%	0%
<b>Total</b>	<b>1,000,000</b>	<b>100%</b>	

Name of promoters	As at 31 March 2021		
	Number of shares	% of total shares	% Change during the year
Welspun Enterprises Limited	489,995	49%	0%
Corbello Trading Private Limited	510,000	51%	0%
Devanshu Parekh (Nominee of Welspun Enterprises Limited)	1	0%	0%
Devendra Patil (Nominee of Welspun Enterprises Limited)	1	0%	0%
Shashikant Thorat (Nominee of Welspun Enterprises Limited)	1	0%	0%
Saji Padmanabhan (Nominee of Welspun Enterprises Limited)	1	0%	0%
Riddhi Patil & Devendra Patil (Nominee of Welspun Enterprises Limited)	1	0%	0%
<b>Total</b>	<b>1,000,000</b>	<b>100%</b>	

13(b) - Instrument entirely equity in nature

Compulsorily convertible debentures ('CCD')

6,188,600 (31 March 2021: 6,188,600) units of Rs 100 each, fully paid up \*

Total

(Rupees in lakhs)	
As at 31 March 2022	As at 31 March 2021
6,189	6,189
<b>6,189</b>	<b>6,189</b>

Terms and conditions of CCD

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

13(c) - Other equity

Retained earnings

As per last balance sheet

Total comprehensive income / (loss) for the year

Total

As at 31 March 2022	As at 31 March 2021
(247)	(572)
311	325
<b>64</b>	<b>(247)</b>

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

14 Non-current financial liabilities - Borrowings

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

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

**(A) Axis Bank Limited**

**Nature of security**

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

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

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

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

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

(f) Assignment of all applicable insurance policies

(g) Pledge of 100% paid up equity share capital, preference share capital, OCCPS / OCCDs / quasi equity issued by Corbello Trading Private Limited. (free from all restrictive covenants, lien or other encumbrance under any contract, arrangement or agreement including but not limited to any shareholders agreement (if any)), together with all accretions thereon at all times till 100% acquisition of borrower's equity shares by the Sponsor (" Sponsor", " Welspun Enterprises Limited") and after 100% acquisition of equity shares of borrower by Sponsor, 0% pledge of all instruments of Corbello Trading Private Limited. Provided that, any enforcement of the pledge over shares shall be subject to Clause 5.3 and 7.1(k) of the Concession Agreement and the prior written approval of NHAI as provided therein.

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

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

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

**Rate of interest** : Repo + Spread per annum

**Repayment terms**

The loan is repayable in 28 half-yearly installments starting from May 2022 and ending in November 2035.

The borrowings have been utilised for the purpose it was raised.

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

**Nature of security**

a) First mortgage and charge on all the borrower's immovable properties present and future except project assets.

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

**Chikhali-Tarsod Highways Private Limited**

**Notes forming part of the financial statements**

c) A first charge over all accounts of the Company, including, the Escrow Account and the Sub- Accounts including DSRA and MMRA

d) A first charge on all intangible assets of the Company, including but not limited to Goodwill, rights, undertaking, intellectual property and uncalled capital present and future excluding the project Assets.

e) First assignment/charge (by way of hypothecation) as applicable by way security interest on:

i) all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Documents

ii) the right, title and interest of the Company in, to and under all the Clearances

iii) all the right, title, interest, benefits, claims and demands whatsoever of the Company in any letter of credit, guarantee including contractor guarantees and liquidated damages and performance bond provided by any party to the Project Documents; and

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

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

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

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

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

**Repayments**

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

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

Chikhail-Tarsod Highways Private Limited

Notes forming part of the financial statements

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

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

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

18 Trade payables

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

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

As at 31 March 2022

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

As at 31 March 2021

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

19 Other current liabilities

Statutory dues payable	69	125
<b>Total</b>	<b>69</b>	<b>125</b>

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

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

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Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

25 Income tax

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

(Rupees in lakhs)

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

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

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

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

(c) Deferred tax relates to the following:

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



Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

26 a) Fair value measurements

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

b) Fair value hierarchy

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

- 1 Fair value of the cash and short term deposits and other short term receivables, trade payables, other current liabilities, and other financial instruments approximate their carrying amounts largely due to short term maturities of these
- 2 The carrying amounts of loans, cash and cash equivalents, other bank balances, other financial assets, non-current and current borrowings, trade payables and other financial liabilities that are measured at amortised cost are considered to be approximately equal to the fair value due to short-term maturities of these financial assets/ liabilities.

27 Ratio Analysis and its elements

Ratios	Numerator	Denominator	Measure (In times/ percentage)	31-Mar-22	31-Mar-21	% variance	Reason for variance #
(a) Current Ratio (In times)	Current assets	Current liabilities	Times	0.82	0.51	60.52%	On account of increase in current assets
(b) Debt-equity ratio	Total debt (Non-current borrowings + Current borrowings)	Total Equity	Times	9.93	7.59	30.83%	On account of increase in total debt
(c) Debt service coverage ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses and amortizations + Interest + other adjustments like loss on sale of Fixed Assets etc.	Debt service = Interest & Lease Payments + Principal Repayments	Times	0.08	0.40	-79.83%	On account of repayment of loans in F.Y. 2021-22
(d) Return on equity ratio	Profit after tax	Average of total equity	Percentage	5.02%	5.53%	-9.18%	-
(e) Inventory turnover ratio	Costs of materials consumed	Average inventories	Times	NA	NA	NA	-
(f) Trade receivables turnover ratio	Revenue from operations	Average trade receivables	Times	NA	NA	NA	-
(g) Trade payables turnover ratio	Subcontracting costs + other expenses	Average trade payables	Times	3.73	2.90	28.35%	On account of PCOD received by the company during the year.
(h) Net capital turnover ratio	Revenue from operations	Average Working capital [Current assets - Current liabilities]	Times	(4.17)	(2.17)	91.83%	On account of decrease in liabilities
(i) Net profit ratio	Profit after tax	Revenue from operations	Percentage	1.56%	1.18%	32.89%	On account of PCOD received by the company during the year.
(j) Return on capital employed	Earnings before depreciation and amortisation, interest and tax [Earnings = Profit after tax + Tax expense + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)]	Capital employed [Total assets - Current liabilities + Current borrowings]	Percentage	7.02%	8.01%	-12.28%	-
(k) Return on investment	NA	NA	INA	NA	NA	NA	-

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

**Chikhali-Tarsod Highways Private Limited**

**Notes forming part of the financial statements**

**28 Financial risk management**

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

**A. Market risk**

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

**Interest rate risk**

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

**(i) Interest rate risk exposure**

(Rupees in lakhs)

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

**Interest rate sensitivity**

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

(Rupees in lakhs)

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

**Foreign Currency risk**

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

**B. Credit risk**

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

**a) Financial instruments and cash deposits**

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

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

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

**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.

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

b) Exposure to liquidity risk

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

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

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
<b>Financial Liabilities</b>			
Less than 1 year	3	5,727	7,567
Between 1 to 5 years	8,884	-	-
Beyond 5 years	31,623	-	-
<b>Total</b>	<b>40,510</b>	<b>5,727</b>	<b>7,567</b>

# excluding IndAS adjustments related to borrowings

29 Service concession receivables

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

30 Capital management

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

The Company monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing borrowings, trade and other payables, less cash and cash equivalents.

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

31 Earnings per share (EPS)

(Rupees in lakhs)

	As at 31 March 2022	As at 31 March 2021
Net profit after tax available for equity shareholders (Rs in lakhs)	311	325
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating basic EPS	1,000,000	1,000,000
Add : Effect of dilutions :-		
Compulsorily Convertible Debentures (number of shares)	61,886,000	61,886,000
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating diluted EPS	62,886,000	62,886,000
Basic earnings per share	31.11	32.51
Diluted earnings per share	0.49	0.52

**Chikhali-Tarsod Highways Private Limited**

**Notes forming part of the financial statements**

**32(a) Segment Information**

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

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

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

**33 Collateral / security pledged**

The Company has pledged following assets for borrowings

	(Rupees in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Other current and non-current assets excluding balances with government authorities (direct and indirect tax)	64,714	57,019
<b>Total assets pledged</b>	<b>64,714</b>	<b>57,019</b>

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

**a) Particulars of relationship**

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

**b) Fellow subsidiaries**

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

**c) Directors / Key managerial Personnel (KMP)**

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

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

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

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

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

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

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

Closing balances as at

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

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

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

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

A) Disaggregation of Revenue

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

B) Contract Balances

(Rupees in lakhs)

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

**Chikhali-Tarsod Highways Private Limited**

**Notes forming part of the financial statements**

**36 Concession arrangements - main features**

- (i) Name of the concession : Chikhali – Tarsod Highway Package IIA
- (ii) Description of arrangements : Four laning of Chikhali – Tarsod (Package- IIA) section of NH-6 from km. 360.000 to km. 422.700 in the State of Maharashtra to be executed on Hybrid Annuity pattern under NHDP Phase IV
- (iii) Significant terms of arrangements : Period of Concession: 15 Years from COD. Construction Period: 910 days from Appointed Date  
Remuneration: Annuity, Interest and O&M ( Operation and Maintenance)  
Investment grant from concession grantor: Yes  
Infrastructure return to grantor at end of concession : Yes  
Investment and renewal obligations: No  
Re-pricing dates: Half Yearly for O&M  
Basis upon which re-pricing or re-negotiation is determined: Inflation price index as defined in concession agreement

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

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

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

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

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

(Rupees in lakhs)

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

(Rupees in lakhs)

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

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

39A Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off during the year under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with Registrar of Companies beyond the statutory period except as mentioned in note 14.
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) There are no transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
- (vi) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender
- (vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (viii) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year.
- (ix) The Company has not received any whistle blower complaints during the year.
- (x) Utilization of borrowed fund and securities premium
- (a) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (b) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (xi) The company has availed term loans (secured) which are project specific and does not warrant submission of quarterly information to banks/financial institutions.

39B Contingent liabilities (to the extent not provided for)

- i) Claim against the Company not acknowledged as debt

	(Rupees in lakhs)	
	As at 31 March 2022	As at 31 March 2021
Other claim against the Company	110	-
	<b>110</b>	<b>-</b>

40 Estimation of uncertainty relating to COVID - 19 Outbreak

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



**Chikhali-Tarsod Highways Private Limited**

**Notes forming part of the financial statements**

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

As per our report of even date.

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

*Amit Kumar Kothari*

**Amit Kumar Kothari**  
Partner  
Membership Number 222726

Place: Mumbai  
Date: 11 May 2022

**For and on behalf of the Board**

*Jayanti Venkatraman*

**Jayanti Venkatraman**  
Director

DIN 01930389  
Place: Mumbai  
Date: 11 May 2022

*Vinoo Sanjay*

**Vinoo Sanjay**  
Director

DIN : 07470339

