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 2020, 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 31 March 2020, and its loss 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 Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

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, 2016 ("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 2020 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March 2020 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 does not have any pending litigations which would impact its financial position;

   ii. The Company did not have any long-term contracts including derivative contracts 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 during the year.

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

Sanjay Kothari
Partner
Membership Number 048215
Mumbai, 27 May 2020

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 2020, we report that:

i. The Company does not hold any fixed assets as at the Balance Sheet date. Hence, sub clause (a), (b) and (c) of clause (i) of the Order is not applicable to the Company.

ii. The Company does not have any inventory during the year and hence Clause (ii) of the Order is not applicable to the Company.

iii. According to information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.

iv. In our opinion and according to the information and explanations given to us, the Company has not given any loans or given any guarantees or made any investments or provided any security as per the provisions of Sections 185 and 186 of the Act.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act.

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 service tax, cess and others 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 2020 for a period of more than six months from the date they became payable.

b) There are no dues of duty of customs, sales tax, duty of excise, income tax, service tax and value added tax which have not been deposited on account of any dispute.

viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions or banks. The Company does not have any loans from Government. The Company has issued optionally convertible debentures during the year and the Company has not defaulted in the repayment of interest and principal to the debenture holders as per the terms of instruments.

ix. 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). The moneys raised by way of term loans during the year have been applied for the purposes for which they were raised.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.

xi. According to the records of the Company examined by us, and information and explanations given to us, the Company has not paid/provided for managerial remuneration and hence requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act is not necessary.

xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it.

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 and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards. Further, as explained to us, the provisions of Section 177 are not applicable to the Company.

xiv. 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 fully or partly convertible debentures during the year.

xv. According to the records of the Company examined by us, and information and explanations given to us, the Company has not entered into non-cash transactions with directors or persons connected with him.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Sanjay Kothari
Partner
Membership Number 048215
Mumbai, 27 May 2020

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 2020.

We have audited the internal financial controls over financial reporting of **Chikhali Tarsod Highways Private Limited** ("the Company") as at 31 March 2020 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 2020, 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 101169W/W-100035

Sanjay Kothari
Partner
Membership Number 048215
Mumbai, 27 May 2020

Chikhali-Tarsod Highways Private Limited

Balance Sheet as at 31 March 2020

(Rupees in lakhs)

	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
1. Non-current assets			
(a) Financial assets			
(i) Service concession receivables	4	46,537	23,996
(b) Deferred tax assets	5	328	4
(c) Other non-current assets	6	3,160	-
(d) Non-current tax assets	7	292	28
Total non-current assets		**50,317**	**24,028**
2. Current assets			
(a) Contract assets	8	4,323	9,300
(b) Financial assets			
(i) Cash and cash equivalents	9	112	957
(ii) Bank balances other than (i) above	10	-	279
(iii) Loans	11	0	0
(iv) Service Concession Receivable	12	12	-
(c) Other current assets	13	2,276	2,003
Total current assets		**6,723**	**12,539**
			-
Total assets		**57,040**	**36,567**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14a	100	100
(b) Instruments entirely equity in nature	14b	6,189	6,189
(c) Other equity	14c	(572)	(149)
Total equity		**5,717**	**6,140**
LIABILITIES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	22,887	-
(b) Other non current liability	16	3,158	-
Total non-current liabilities		**26,045**	**-**
2. Current liabilities			
(a) Contract liabilities	17	5,696	5,242
(b) Financial liabilities			
(i) Borrowings	18	8,490	-
(ii) Trade payables	19		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		10,758	24,670
(iii) Other financial liabilities	20	194	-
(c) Other current liabilities	21	140	515
Total current liabilities		**25,278**	**30,427**
Total equity and liabilities		**57,040**	**36,567**

Notes forming part of the financial statements **1 to 42**

As per our report of even date.

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

For and on behalf of the Board

Sanjay Kothari
Partner
Membership Number 048215

Jitendra Jain
Director
DIN : 08377285

Vinoo Sanjay
Director
DIN : 07470339

Place: Mumbai
Date: 27 May 2020

Chikhali-Tarsod Highways Private Limited

Statement of Profit and Loss for the year ended 31 March 2020

(Rupees in lakhs)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	22	42,379	24,010
Other income	23	1,098	18
Total income		**43,477**	**24,028**
Expenses			
Sub-contracting, civil and repair work	24	37,049	23,950
Finance costs	25	1,845	6
Other expenses	26	5,330	74
Total expenses		**44,224**	**24,030**
Loss before tax		**(747)**	**(2)**
Income tax expense	27		
- Current tax		-	-
- Deferred tax charge /(credit)		(324)	(4)
Total tax expense		**(324)**	**(4)**
Profit / (loss) for the year		**(423)**	**2**
Other comprehensive income for the year		-	-
Total comprehensive income for the year		**(423)**	**2**
Earnings per equity share of Rs. 10 each fully paid-up	32		
Basic EPS (Rs)		(42.35)	10.17
Diluted EPS (Rs)		(42.35)	0.02

Notes forming part of the financial statements **1 to 42**

As per our report of even date.

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

For and on behalf of the Board

Sanjay Kothari
Partner
Membership Number 048215

Jitendra Jain
Director
DIN : 08377285

Vinoo Sanjay
Director
DIN : 07470339

Place: Mumbai
Date: 27 May 2020

Chikhali-Tarsod Highways Private Limited

Statement of changes in equity for the Year ended 31 March 2020

A. Equity share capital (Rupees in lakhs)

	Amount
Balances as at 31 March 2018	1
Changes in equity share capital	99
Balances as at 31 March 2019	**100**
Changes in equity share capital	-
Balances as at 31 March 2020	**100**

B. Instrument entirely equity in nature (Rupees in lakhs)

	Amount
Balances as at 31 March 2018	874
Changes during the year	5,315
Balances as at 31 March 2019	**6,189**
Changes during the year	-
Balances as at 31 March 2020	**6,189**

C. Other equity (Rupees in lakhs)

	Attribute to owners of Chikhali-Tarsod Highways Private Limited	
	Retained earnings	Total other equity
Balances as at 31 March 2018	**(151)**	**(151)**
Loss for the year	2	2
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**2**	**2**
Balances as at 31 March 2019	**(149)**	**(149)**
Profit for the year	(423)	(423)
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**(423)**	**(423)**
Balances as at 31 March 2020	**(572)**	**(572)**

Nature and purpose of reserves :-

Retained earnings

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

Notes forming part of the financial statements 1 to 42

As per our report of even date.

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

For and on behalf of the Board

Sanjay Kothari
Partner
Membership Number 048215

Jitendra Jain
Director
DIN : 08377285

Vinoo Sanjay
Director
DIN : 07470339

Place: Mumbai
Date: 27 May 2020

Chikhali-Tarsod Highways Private Limited

Statement of Cash Flow for the year ended 31 March 2020

(Rupees in lakhs)

	31 March 2020	31 March 2019
Cash flows from operating activities		
Net loss before tax	(747)	(2)
Adjustments for		
Notional income from revenue from construction contract	(41,068)	(24,010)
Interest income	(18)	(18)
Income on Financial Assets	(871)	-
Gain on financial asset measured at FVTPL	(209)	14
Interest expenses	1,845	6
Operating loss before working capital changes	**(41,068)**	**(24,010)**
Adjustments for		
Decrease/ (Increase) in other current assets	24,299	(10,794)
Decrease/ (Increase) in other non current assets	(3,160)	-
(Decrease)/ Increase in current financial liabilities	(13,912)	24,608
(Decrease)/ Increase in other liabilities	3,237	5,758
Cash Generated/ (used) from/ in operation	**(30,604)**	**(4,439)**
Direct taxes paid	(264)	(28)
Net cash flow from/ (used in) operating activities (A)	**(30,868)**	**(4,467)**
Cash flows from investing activities		
Interest income received	18	18
Decrease in other bank balances	279	(3)
Net cash flow from/ (used in) investing activities (B)	**297**	**15**
Cash flows from financing activities		
Proceeds from issue of equity shares	-	99
Proceeds from issue of compulsorily convertible debentures	-	5,315
Proceeds from Long term borrowings	29,483	-
Proceeds from short term borrowings	2,362	-
Repayment of short term borrowings	(67)	-
Finance expenses paid	(2,052)	(6)
Net cash flow from/ (used in) in financing activities (C)	**29,726**	**5,408**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(845)**	**957**
Cash and cash equivalents at the beginning of the year	957	0
Cash and cash equivalents at the end of the year	**112**	**957**

Notes:

1. Break up of cash and cash equivalents are as follows		
Cash and cash equivalents	112	957
Total cash and cash equivalents	**112**	**957**

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 37.

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

Notes forming part of the financial statements **1 to 42**

As per our report of even date.

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

For and on behalf of the Board

Sanjay Kothari
Partner
Membership Number 048215

Jitendra Jain
Director
DIN : 08377285

Vinoo Sanjay
Director
DIN : 07470339

Place: Mumbai
Date: 27 May 2020

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 on Hybrid Annuity model basis.

The financial statements of the Company are prepared for the year ended 1 April 2019 to 31 March 2020 and authorised for issue by the Board of Directors at their meeting held on 27 May 2020.

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.

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

iii) Impairment of non-financial assets

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

iv) Service concession arrangements

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

Under Appendix C to Ind AS 115 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The intangible asset model is used to the extent that the Company receives a right (i.e. a franchisee) to charge users of the public service. The financial asset model is used to the extent the Company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. When the unconditional right to receive cash covers only part of the service, the two models are combined to account separately for each component. If the Company performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

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

However, based on the internal and external developments affecting the Company's operation, management is required to reassess the business model of holding such financial asset. Based on such reassessment, asset carried under concession arrangement is reclassified from "FVTPL" to measured at amortized cost.

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(C).

a) Construction contract revenue

The Company derives revenue from the long-term construction of major infrastructure projects across India. The transaction price is normally fixed at the start of the project. It is normal practice for contracts to include escalation clause based on timely construction or other performance criteria known as variable consideration, discussed below. Revenue is recognized over time in the construction stream, when the customer simultaneously receives and consumes the benefits provided through the entity's performance or when the Company creates or enhances an asset that the customer controls.

The Company recognises revenue from construction contracts, using an input method on the basis of accumulated project expenses in relation to estimated accumulated project expenses upon completion. This method reflects close approximation of actual work performed. A provision is made for the difference between the expected cost of fulfilling a contract and the expected unearned portion of the transaction price where the forecast costs are greater than the forecast revenue.

Contract revenue corresponds to the fair value of consideration received/ receivable from the customer to the extent that it is probable that they will result in revenue, and they are capable of being reliably measured.

b) Services revenue

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

c) Variable consideration

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

d) Interest income

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

e) Contract Balances

Contract assets and contract liabilities

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

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

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

Trade receivables

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

f) Cost to obtain a contract

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

g) Financing components

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

h) Loss making contracts

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

vi) Taxes on income

a) Current tax

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

b) Deferred tax

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

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

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

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

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

vii) Foreign currency transactions

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

viii) Cash and cash equivalents

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

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

ix) Earnings per share

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

x) Provisions, contingent liabilities and contingent assets

a) Provisions

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

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

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

b) Contingent liabilities and contingent assets

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

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

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

Subsequent measurement

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

a) Debt instruments measured at amortised cost

b) Debt instruments measured at fair value through other comprehensive income (FVTOCI)

c) Debt instruments measured at fair value through profit or loss (FVTPL)

d) Equity instruments measured at FVTOCI or FVTPL

Debt instruments

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

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

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

c) Debt instruments measured at FVTPL
FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.
In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any debt instrument (except as referred in 3 (A) (iv) as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

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

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

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

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

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

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

C. Reclassification of financial instruments

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

D. Impairment of financial assets

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

i) Financial assets measured at amortised cost

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

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

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

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

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

E. Financial liabilities

a) Initial recognition and measurement

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

b) Subsequent measurement

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

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.

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) Changes in accounting policies and disclosures

Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3 (C) 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.

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 31).

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

Financial assets

4 Non current financial assets

(Rupees in lakhs)

	As at 31 March 2020	As at 31 March 2019
Service concession receivables	46,537	23,996
Total	**46,537**	**23,996**

5 Deferred Tax assets

(Rupees in lakhs)

	As at 31 March 2020	As at 31 March 2019
Deductible difference on account of service concession	328	4
	328	**4**

6 Non-current assets - others

(Rupees in lakhs)

	As at 31 March 2020	As at 31 March 2019
Balance with Government authorities		
- Indirect tax	3,160	-
Total	**3,160**	**-**

7 Non-current tax assets

	As at 31 March 2020	As at 31 March 2019
Balance with government authorities		
- Direct tax	292	28
Total	**292**	**28**

8 Contract assets

Contract assets (Refer note 35)		
- Related parties (Refer note 36)	4,323	9,300
	4,323	**9,300**

9 Cash and cash equivalents

	As at 31 March 2020	As at 31 March 2019
Balances with banks in current accounts	112	957
Cash in hand	-	0
Total	**112**	**957**

10 Bank balances (other than 9 above)

(Rupees in lakhs)

	As at 31 March 2020	As at 31 March 2019
Deposit with banks having original maturity of more than three months but less than twelve months held as margin money*	-	279
Total	**-**	**279**

* Lien on fixed deposits is marked for bank gurantee issued

11 Current financial assets - loans

	As at 31 March 2020	As at 31 March 2019
(Unsecured considered good, unless otherwise stated)		
Security Deposit	0	0
Total	**0**	**0**

12 Current financial assets - others

(Amount in Rs.)

	As at 31 March 2020	As at 31 March 2019
Service Concession Receivable	12	-
Total	**12**	**-**

13 Other current assets

	As at 31 March 2020	As at 31 March 2019
Advance to suppliers	0	19
Balances with government authorities- Indirect taxes	2,144	1,384
Prepaid expenses	132	600
Total	**2,276**	**2,003**

14 Share capital and other equity

14(a) - Equity share capital

(Rupees in lakhs)

Particulars	As at 31 March 2020	As at 31 March
Authorised share capital		
1,000,000 (1,000,000 31 March 2019) Equity Shares of Rs.10 each fully paid up	100	100
Total authorised share capital	**100**	**100**
Issued, subscribed and paid up equity share capital		
1,000,000 (1,000,000 31 March 2019) equity Shares of Rs.10 each fully paid up	100	100
Total issued, subscribed and paid up equity share capital	**100**	**100**

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

	As at 31 March 2020		As at 31 March 2019	
	Number of equity shares	(Rupees in lakhs)	Number of equity shares	(Rupees in lakhs)
At the beginning of the period	1,000,000	100	10,000	1
Add : Issued during the year	-	-	990,000	99
Outstanding at the end of the year	1,000,000	100	1,000,000	100

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.

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 2020		As at 31 March 2019	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Welspun Enterprises Limited - 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

	As at 31 March 2020		As at 31 March 2019	
	Number of equity shares	% Holding	Number of equity shares	% Holding
Welspun Enterprises Limited - 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 2020.

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

14(b) - Instrument entirely equity in nature

(Rupees in lakhs)

	As at 31 March 2020	As at 31 March
Compulsorily convertible debentures ('CCD')	6,189	6,189
6,188,600 (31 March 2019: 6,188,600) units of Rs 100 each, fully paid up *		
Total	**6,189**	**6,189**

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.

14(c) - Other equity

	As at 31 March 2020	As at 31 March
Retained earnings		
As per last balance sheet	(149)	(151)
Total comprehensive income / (loss) for the year	(423)	2
Total	**(572)**	**(149)**

15 Non- current financial liability - borrowings (Amount in Rs.)

	As at 31 March 2020	As at 31 March 2019
Secured		
Term loan from Bank	17,552	-
Term loan from Financial Institution	5,335	-
Total	**22,887**	**-**

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

(i) Indusind Bank

First pari-passu charge on all the borrower's immovable properties including leasehold rights, if any, together with all appurtenances thereon and thereunder both present and future.

First pari-passu charge on all the borrower's tangible movable assets,including cash flows,receviables,movable plant and machinery,machinery spares,tools and assessories,furniture,fixtures,vehicles and all other movable assets, both present and future.

Lien over all accounts of the Borrower including the Escrow Account and sub accounts (or any account in substitution thereof) and all funds from time to time deposited therein.

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

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

a) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents (as defined under Concession Agreement) including concession agreement and EPC Contract

b) the right, title and interest benefits, claims and demands whatsoever of the Borrower in, to and under all the Government Approvals and clearances;

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

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

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.

Pledge of 99.92% shares of Borrower (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 SPVs to be provided.

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.

Rate of Interest

1 Year IBL MCLR and the spread of 0.10%.

Repayment terms

The loan is repayable in 28 half-yearly installments starting from 30 June-2021 and ending in 31 Dec 2034

(ii) PTC India Financial Services Ltd.

First pari-passu charge on all the borrower's immovable properties including leasehold rights, if any, together with all appurtenances thereon and thereunder both present and future.

First pari-passu charge on all the borrower's tangible movable assets,including cash flows,receviables,movable plant and machinery,machinery spares,tools and assessories,furniture,fixtures,vehicles and all other movable assets, both present and future.

Lien over all accounts of the Borrower including the Escrow Account and sub accounts (or any account in substitution thereof) and all funds from time to time deposited therein.

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

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

a) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower in the Project Documents (as defined under Concession Agreement) including concession agreement and EPC Contract

b) the right, title and interest benefits, claims and demands whatsoever of the Borrower in, to and under all the Government Approvals and clearances;

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

d) all the right, title, interest, benefits, claims and demands whatsoever of the Borrower under all Insurance

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.

Pledge of 99.92% shares of Borrower (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 SPVs to be provided.

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.

Rate of Interest

1 Year IBL MCLR and the spread of 0.10%.

Repayment terms

The loan is repayable in 28 half-yearly installments starting with first repayment starting from the end of 9 months from the Actual COD.

(Rupees in lakhs)

16 Other non current liability	**As at 31 March 2020**	**As at 31 March 2019**
Statutory Dues Payable	3,158	-
	3,158	**-**

17 Contract liabilities

Contract liabilities (Refer note 36)		
- Other parties	5,696	5,242
	5,696	**5,242**

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

18 Current financial liabilities - Borrowings

(Rupees in lakhs)

	As at 31 March 2020	As at 31 March 2019
Secured		
Borrowing from Banks - Letter of Credit facility (Refer note 18a)	6,195	-
Unsecured		
Borrowing from Related Party (Refer note- 35)		
Loan repayable on demand	341	-
1,954,000 (31 March 2019 :Nil) 0% unsecured optionally convertible debentures of Rs 100 each fully paid up	1,954	-
Total	**8,490**	**-**

18a Refer note - 15(i) for security details

19 Trade payables

	As at 31 March 2020	As at 31 March 2019
Trade payables		
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- related parties	10,739	24,658
- others	19	12
Sub total (B)	**10,758**	**24,670**
Total (A+B)	**10,758**	**24,670**

20 Current financial liabilities - others

(Rupees in lakhs)

	As at 31 March 2020	As at 31 March 2019
Current maturities of long-term debt	194	-
Total	**194**	**-**

Current maturities of long-term debt includes accrued interest of Rs 194 lakhs (Previous year Rs Nil)

21 Other current liabilities

	As at 31 March 2020	As at 31 March 2019
Retention money	6	-
Statutory dues	134	515
Total	**140**	**515**

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

(Rupees in lakhs)

	Year ended 31 March 2020	Year ended 31 March 2019
22 Revenue from operations		
Revenue from construction contract	41,068	24,010
Revenue from utility	1,311	-
Total	**42,379**	**24,010**
23 Other income		
Interest income on financial assets carried at amortised		
- On bank deposits	18	18
- On financial assets	871	-
- Others	0	-
Gain on fair value	209	
Total	**1,098**	**18**
24 Sub-contracting, civil and repair work		
Sub-contracting, civil and repair work	37,049	23,950
Total	**37,049**	**23,950**
25 Finance costs		
Interest expenses on:-		
- Term loans	675	-
- Others	868	2
Bank charges and other finance costs	302	4
Total	**1,845**	**6**
26 Other expenses		
Project monitoring and maintenance expenses	27	-
Tender fees	-	5
Rates and taxes	5,283	3
Insurance	4	25
Legal and professional Fees	10	24
Loss on financial assets mandatorily measured at fair value through profit and loss.	-	14
Payment to Auditor :-		
Audit fees	2	2
Others	1	-
Miscellaneous expenses	3	1
Preliminary expenses	-	
Total	**5,330**	**74**

(Amount in Rs.)

27 Income Tax expenses	Year ended 31 March 2020	Year ended 31 March 2019
Deferred Tax	(324)	(4)
	(324)	**(4)**

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

27 Income tax

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

(Rupees in lakhs

	As at 31 March 2020	As at 31 March 2019
Current tax		
Current tax on taxable income for the period	-	-
Deferred tax		
Ind AS adjustment	(324)	(4)
Income tax expense reported in the statement of profit and loss	**(324)**	**(4)**

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

	As at 31 March 2020	As at 31 March 2019
Accounting profit before tax	(747)	(2)
At India's statutory income tax rate	(188)	
Tax effect of amount which are not taxable in calculating taxable income :		
Other allowances for tax purpose	(136)	
Other non deductible expenses for tax purpose	0	(4)
Income tax expenses reported in the statement of profit and loss	**(324)**	**(4)**

(c) Deferred tax relates to the following:

	Balance Sheet		Recognized in the statement of profit and loss	
	As at 31 March 2020	As at 31 March 2019	31 March 2020	31 March 2019
Deferred tax asset				
Deductible difference on account of service concessi	328	4	(324)	(4)
Total	**328**	**4**	**(324)**	**(4)**
Deferred tax expense /(credit)			**(324)**	**(4)**

d) Unrecognised deferred tax assets on unused tax losses

The Company has brought forward loss of Rs. 103 lakhs (31 March 2019 - 132 lakhs). Deferred tax assets of Rs. 28 lakhs (31 March 2019- Rs 37 lakhs) have not been recognized in respect of brought forward loss in view of uncertainty of future taxable profits.

(e) In accordance with Section 115BAA of income Tax Act, 1961 as introduced by the Taxation Laws (amendment) Ordinance, 2019 the Company has re-assessed Deferred Tax Assets (‘DTA’) on certain deductible temporary differences. Accordingly, during the quarter ended 31 March 2020, DTA (net) aggregating to Rs 357 lakhs has been recognised. The same has been included in deferred tax charge/(benefit) in statement of profit and loss.

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. However the Company is currently not exposed to interest rate risk.

(i) Interest rate risk exposure (Rupees in lakhs)

	As at 31 March 2020	As at 31 March 2019
Variable rate borrowings	29,276	-

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

	Year ended 31 March 2020	Year ended 31 March 2019
Interest rates : (Increase) by 50 basis points	(147)	Nil
Interest rates : Decrease by 50 basis points	147	Nil

Foreign Currency risk

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

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) Trade receivables

The Company extends credit to customers in normal course of business. The Company considers factors such as credit track record in the market and past dealings for extension of credit to customers. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets. The Company has also taken advances and security deposits from some of its customers, which mitigate the credit risk to an extent.

b) 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 2020	As at 31 March 2019
Service Concession Receivable		
Over one year	46,537	23,996
Less than one year	12	-
Total	**46,549**	**23,996**

C. Liquidity risk

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

b) Exposure to liquidity risk

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

	Long term borrowing	Short term borrowing	Trade Payable
Financial Liabilities			
Less than 1 year	6,389	2,295	10,758
Between 1 to 5 years	3,714	-	-
Beyond 5 years	19,173	-	-
Total	**29,276**	**2,295**	**10,758**

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments as at 31 March 2019

	Long term borrowing	Short term borrowing	Trade Payable
Financial Liabilities			
Less than 1 year	-	-	24,670
Between 1 to 5 years	-	-	-
Beyond 5 years			
Total	**-**	**-**	**24,670**

29 Service concession receivable

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

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 2020	As at 31 March 2019
Net debt	**A**	**51,212**	**29,470**
Total Capital	**B**	**5,716**	**6,140**
Capital and net debt	**C = A + B**	**56,928**	**35,610**
Gearing ratio	**A / C**	**90%**	**83%**

* excludes balances with banks held as margin money or security against guarantees and other commitments.

Chikhali-Tarsod Highways Private Limited

Notes forming part of the financial statements

31 a) Fair value measurements

Financial instruments by category (Rupees in lakhs)

	As at 31 March 2020		As at 31 March 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets				
Non-current assets				
Service concession receivables	-	46,537	23,996	-
Current assets				
Cash and cash equivalents	-	112	-	957
Other bank balances	-	-	-	279
Loans	-	0	-	0
Service concession receivables	-	12	-	-
Total financial assets	**-**	**46,661**	**23,996**	**1,236**
Financial liabilities				
Non-current liabilities				
Borrowings	-	22,887	-	-
Current liabilities				
Borrowings	-	8,490	-	-
Trade payables	-	10,758	-	24,670
Other financial liabilities	-	194	-	-
Total financial liabilities	**-**	**42,329**	**-**	**24,670**

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.

	Carrying	Fair value measurement		
	As at 31 March 2020	Level 1	Level 2	Level 3
Service concession receivable	-	-	-	-
	As at 31 March 2019	Level 1	Level 2	Level 3
Service concession receivable	23,996	-	-	23,996

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

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

2 Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on this evaluation, allowances are taken to account for the expected losses of these receivables.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

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

3 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.

32 Earnings per share (EPS)

(Rupees in lakhs)

	As at 31 March 2020	As at 31 March 2019
Net profit/ (loss) after tax available for equity shareholders (Rs in lakhs)	(423)	2
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating basic EPS (Number of shares)	1,000,000	20,849
Add : Effect of dilutions :-		
Compulsorily Convertible Debentures (number of shares)	61,886,000	9,317,480
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating diluted EPS (Number of shares) *	62,886,000	9,338,329
Basic earnings per share	(42.35)	10.17
Diluted earnings per share	(42.35)	0.02

* Compulsorily convertible debentures were antidilutive and ignored in the calculation of diluted earning per share for year ended 31 March 2020.

33 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.

34 Collateral / security pledged

The Company has pledged following assets for borrowings

lakhs)

	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment (including Capital work-in-progress and Intangible assets)	-	-
Inventories	-	-
Other current and non-current assets excluding investments and tax	51,117	35,151
Total assets pledged	**51,117**	**35,151**

35 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 2020	Extent of holding As at 31 March 2019
Welspun Enterprises Limited	Co-venturer	49.00%	49.00%
Corbello Trading Private Limited	Co-venturer	51.00%	51.00%

b) Directors / Key managerial Personnel (KMP)

Name of the Related Parties	
Mr. Mohan K Manikkan *	Director
Mr. Navin K P Sinha **	Director
Mr. Vinoo Sanjay	Director
Mr. Rakesh Prasad ^	Director
Mr. Jitendra Jain ^^	Director

^ Appointed as director w.e.f. 17 April 2019

^^ Appointed as director w.e.f. 09 July 2019

* Ceased to be director w.e.f. 17 April 2019

** Ceased to be director w.e.f. 09 July 2019

c) Other related parties:

Vishvaraj Environment Private Limited

Vishvaraj Infrastructure Limited

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 2020	Year ended 31 March 2019
Subcontracting, civil and repair work	**37,049**	**23,950**
Welspun Enterprises Limited	37,049	23,950
Project monitoring and maintenance expenses	**27**	**-**
Welspun Enterprises Limited	27	-
Interest expenses on LC discounting	**418**	**-**
Welspun Enterprises Limited	418	-
Expenses incurred/ Advances received	**2,362**	**488**
Welspun Enterprises Limited	2,362	488
Amount repaid/ adjusted	**67**	**200**
Welspun Enterprises Limited	67	200
Mobilisation Advance paid	**-**	**9,300**
Welspun Enterprises Limited	-	9,300
Mobilisation Advance repaid/adjusted	**4,977**	**-**
Welspun Enterprises Limited	4,977	-
Conversion of borrowing to compulsorily convertible debentures	**-**	**301**
Welspun Enterprises Limited	-	301
Issue of compulsorily convertible debentures	**-**	**5,014**
Welspun Enterprises Limited	-	1,921
Corbello Trading Private Limited	-	3,093
Issue of equity share capital	**-**	**99**
Welspun Enterprises Limited	-	49
Corbello Trading Private Limited	-	51
Conversion of borrowing to optionally convertible debentures	**1,954**	**-**
Welspun Enterprises Limited	1,954	
Bank guarantee given/ (discharged) by	**(5,241)**	**11,529**
Welspun Enterprises Limited	(5,241)	11,529
Guarantee given/ (discharged) for performance security	**(5,241)**	**(5,241)**
Welspun Enterprises Limited	(5,241)	(5,241)

Closing balances as at

	As at 31 March 2020	As at 31 March 2019
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	**1,954**	**-**
Welspun Enterprises Limited	1,954	-
Mobilisation Advance given	**4,323**	**9,300**
Welspun Enterprises Limited	4,323	9,300
Prepaid Expenses - LC Interest	**100**	**-**
Welspun Enterprises Limited	100	-
Trade/other payable	**10,739**	**24,658**
Welspun Enterprises Limited	10,739	24,658
Short term borrowing	**341**	**-**
Welspun Enterprises Limited	341	-
Bank guarantee outstanding	**6,288**	**11,529**
Welspun Enterprises Limited	6,288	11,529
Guarantee outstanding for performance security	**-**	**5,241**
Welspun Enterprises Limited	-	5,241

During the earlier years, Welspun Enterprises Limited ('WEL') had given guarantee to lenders for debt availed by the Company, pursuant to which maximum exposure aggregates to Rs 18,951 lakhs (31 March 2019 Rs Nil)

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

36 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 2020	As at 31 March 2019
Contract assets	4,323	9,300
Contract liabilities	5,696	5,242

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

Revenue earned from construction activities, but yet to be billed to customers, is initially recognised as contract assets and reclassified to trade receivables when the right to consideration becomes unconditional. The significant decrease in Contract assets in March 2020 is on account of reduction in mobiliazation advances.

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. The increase in Contract liabilities in March 2020 is on account of interest accrued on mobilization advance during the year.

During the year, Contract assets worth Rs 4,323 lakhs (31 March 2019 Rs 9,300 lakhs) representing the mobilization advance given is reclassified from Other Current Assets to the face of balance sheet as separate line item under the head Current assets. Further Contract liabilities worth Rs 5,696 lakhs (31 March 2019 Rs 5,242 lakhs) repesenting mobilisation advance received is reclassified from Other Current Liabilties to the face of balance sheet as separate line item under the head Current liabilities. Considering the nature and surrounding circumstances, management believes that this reflects the true classification of the asset. The impact of this change is considered to be immaterial on the Company's financial performance and position.

37 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
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 receivable):	Rs. In lakhs
Non-current	46,537
Current	12

As on 31 March 2020 the project is in construction phase.

During the year, the Company has reclassified service concession receivable out of fair value through profit or loss category into amortized cost category.

a) Date of reclassification	1 January 2020
b) the amount reclassified into and out of each category	40993 Lakhs
c) the effective interest rate determined on the date of reclassification	9.12%
d) the interest revenue recognised	871 lakhs

38 Under the Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act"), certain disclosures relating to amounts due to micro, small and medium enterprises are required to be made. As the relevant information is not given or confirmed by such enterprises in view of the management, the impact of interest, if any, which may subsequently become payable to such enterprises in accordance with the provisions of the Act, would not be material and the same, if any, would be disclosed in the year of payment of interest.

39 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.

40 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 - Related Party	Long term borrowing	Compulsarily Convertible Debentures	Optionally Convertible Debentures
As at 31 March 2019	-	-	6,189	-
Cash inflow	2,362	29,483	-	-
Cash outflow	(67)	-	-	-
Non cash changes - other changes	(1,954)	(207)	-	1,954
As at 31 March 2020	**341**	**29,276**	**6,189**	**1,954**

41 Estimation of uncertainity relating to COVID - 19 Outbreak

The Company, based on internal & external sources of information including market research, economic forecast and other information, has assessed that as a result of Covid-19 outbreak, there is no significant financial impact on the financial statements for the year ended March 31, 2020 as at the date of approval of these financial statements. Due to the nature of the pandemic, the Company will continue to monitor developments to Identify significant uncertainties in future periods, if any.

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

As per our report of even date.

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

For and on behalf of the Board

Sanjay Kothari
Partner
Membership Number 048215

Jitendra Jain
Director
DIN : 08377285

Vinoo Sanjay
Director
DIN : 07470339

Place: Mumbai
Date: 27 May 2020