



H K Shah & Co.

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

TO
THE MEMBERS OF
WELSPUN INFRA FACILITY PRIVATE LIMITED

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **WELSPUN INFRA FACILITY PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including other comprehensive income) for the period 1st April 2020 to 31st March 2021, the Cash Flow Statement for the year then ended and the statement of changes in equity for the period, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Ind AS financial statements")

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

GSTIN 24AACFH1917R1Z6 | PAN AACFH1917R | FRN 109583W

079-27544995 / 27542785
+91-9909919785
+91-9714744995

hkshahandco@gmail.com
www.hkshahandco.com

Head Office | 403+404 SARAP Building
Opp. Navjivan Bress, Off Ashram Road,
Nr. Income Tax, Ahmedabad - 380014

Branch Offices | Gujarat, Maharashtra, Tamil Nadu &
Uttar Pradesh



Management's Responsibility for Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued there under.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

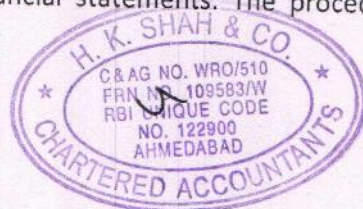
Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

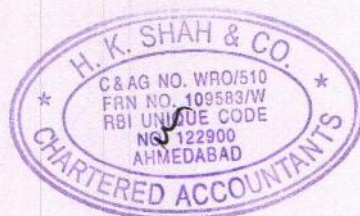
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the



auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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.



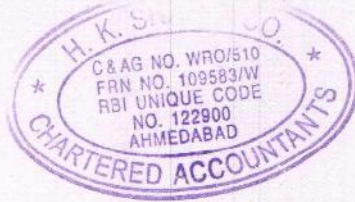
Report on Other Legal and Regulatory Requirements

- I. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the Order.
- II. 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 cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS specified under Section 133 of the Act, read with relevant rules issued there under;
 - e) On the basis of the written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164 (2) of the Act;
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
 - g) 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 ended 31 March 2021

For,
H. K. Shah & Co.,
Chartered Accountants
FRN: 109583W

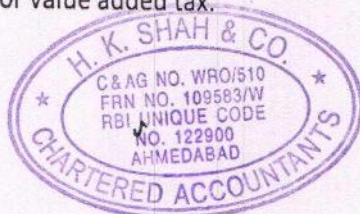


CA Gopesh K Shah
Partner
M. No. 106204
UDIN : 21106204AAAACQ4477
Place: Ahmedabad
Date: 14/06/2021

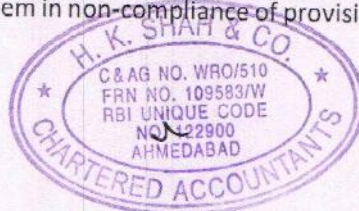
ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph – 1 on Report on Other Legal and Regulatory Requirements of our report of even date)

- i. In respect of Property, Plant and Equipment:
The company does not have any property, plant and equipment during the year. So the reporting obligation under this clause is not applicable.
- ii. In respect of inventories:
The company does not have any inventories during the year. So the reporting obligation under this clause is not applicable.
- iii. In respect of loans granted:
The Company has not granted any loans, secured or unsecured, during the year.
- iv. In respect of loans, investments, guarantees and security:
According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, guarantees and security or not made any investment as stipulated in section 185 and 186 of the Companies Act, 2013.
- v. In respect of acceptance of deposits:
The Company has not accepted any deposits with non-compliance of directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- vi. In respect of cost records:
In our opinion and according to the information and explanations given to us, the Company does not fall within the criteria prescribed by the Central Government for maintenance of cost records under section 148(1) of the Companies Act, 2013.
- vii. In respect of statutory dues:
 - a. According to the information and explanations given to us and on the basis of our examination of the records, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sale-tax, service-tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues applicable to it.
 - b. According to the information and explanations given to us, there is no amount due on account of dispute in respect of income-tax or sales-tax or service-tax or duty of customs or duty of excise or value added tax.



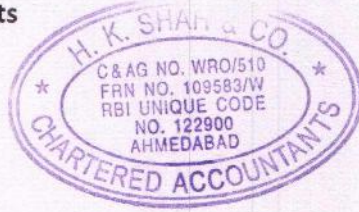
- viii. In respect of default of repayment of loans or borrowing:
According to the information and explanations given to us and on the basis of our examination of the records, the Company has not taken loans or borrowing from a financial institution or bank or Government or debenture holders.
- ix. In respect of application of money raised:
According to the information and explanations given to us and on the basis of our examination of the records, the Company has not raised the money by way of initial public offer or further public offer (including debt instruments) and term loans.
- x. In respect of fraud:
To the best of our knowledge and belief and according to the information and explanations given to us, no fraud by or on the Company has been noticed or reported during the year.
- xi. In respect of managerial remuneration:
According to the information and explanations given to us and on the basis of our examination of the records, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- xii. In respect of Nidhi Company:
According to the information and explanations given to us and on the basis of our examination of the records, the company is not a Nidhi Company.
- xiii. In respect of transactions with related parties:
According to the information and explanations given to us and on the basis of our examination of the records, all the transactions with related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
- xiv. In respect of allotment or placement of shares:
According to the information and explanations given to us and on the basis of our examination of the records, the Company has made preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and the moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans are applied for the purposes for which those are raised.
- xv. In respect of non-cash transaction:
According to the information and explanations given to us and on the basis of our examination of the records, the Company has not entered into any non-cash transactions with directors or persons connected with them in non-compliance of provision of section 192 of the Companies Act, 2013.



xvi. In respect of registration with RBI:

According to the information and explanations given to us and on the basis of our examination of the records, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and so, registration has not been obtained.

For,
H. K. Shah & Co.,
Chartered Accountants
FRN: 109583W



CA Gopesh K Shah
Partner
M. No. 106204

Place: Ahmedabad

Date: 14/06/2021

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")

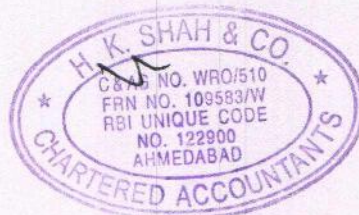
We have audited the internal financial controls over financial reporting of **WELSPUN INFRA FACILITY PRIVATE LIMITED** ("the company") as of 31 March 2021 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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 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 Companies Act, 2013. As informed to us the internal audit is being conducted for the parent company, which covers the subsidiary company audited by us.

Auditors' 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For,

H. K. Shah & Co.,

Chartered Accountants

FRN: 109583W



CA Gopesh K Shah

Partner

M. No. 106204



Place: Ahmedabad

Date: 14/06/2021

Welspun Infracore Private Limited

Balance Sheet as at 31 March 2021

(Rupees in lakhs)

	Notes	As at 31 March 2021	As at 31 March 2020
ASSETS			
1. Non-current assets			
(a) Intangible assets under development	4	133,919	-
(b) Non-current tax assets (net)	5	12	-
		<u>133,931</u>	-
2. Current assets			
(a) Contract assets	6	9,212	-
(b) Financial assets			
(i) Loans	7	39	-
(ii) Trade Receivable	8	45	-
(iii) Cash and cash equivalents	9	3,085	1
(c) Other current assets	10	547	35
		<u>12,928</u>	<u>36</u>
Total assets		<u>146,859</u>	<u>36</u>
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	11	1,005	-
(b) Instrument entirely equity in nature	11	14,039	5
(c) Other equity	11	13,788	(0)
		<u>29,692</u>	<u>1</u>
LIABILITIES			
1. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	77,726	-
(b) Deferred tax liabilities (net)	13	8	-
		<u>77,734</u>	-
2. Current liabilities			
(a) Contract liabilities			
(i) Borrowings	14	4,049	-
(b) Financial liabilities			
(i) Borrowings	15	14,708	32
(ii) Trade payables	16	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		17,953	0
(iii) Other financial liabilities	17	1,668	-
(c) Other current liabilities	18	1,055	3
		<u>39,433</u>	<u>36</u>
Total equity and liabilities		<u>146,859</u>	<u>36</u>

Notes forming part of the financial statements (Refer note 1 to 38)

As per our report of even date

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

CA Gopesh K. Shah
Partner
Membership Number 106204

Place: Ahmedabad
Date: 14 June 2021

For and on behalf of the Board of Directors

Jayanti Venkatraman
Director
DIN 01930389

Place: Mumbai
Date: 14 June 2021

Yogen Babulal Lal
Director
DIN : 01828376

Welspun Infracore Private Limited

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

	Note	Period ended 31 March 2021	(Rupees in lakhs) Period ended 31 March 2020
Revenue from operations		62,933	-
Total income	19	62,933	
Expenses			
SubContracting expenses			
Finance costs	20	58,032	-
Other expenses	21	0	0
Total expenses	22	4,901	0
Profit before exceptional items and tax		62,933	0
Exceptional items			
Profit before tax		(0)	(0)
Income tax expense			
- Current tax	23	(0)	(0)
- Deferred tax (benefit)/ charge		-	-
Profit/(loss) for the year (VI-VII)		8	(0)
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gain/(loss)			
Tax relating to above			
Other comprehensive income for the year		(0)	(0)
Total comprehensive income for the year		(8)	(0)
Earnings per equity share of Rs. 10 each fully paid-up	27		
Basic EPS (Rs)		(0.12)	(5.05)
Diluted EPS (Rs)		(0.12)	(5.05)

Notes forming part of the financial statements (Refer note 1 to 38.)

As per our report of even date

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

CA Gopesh K. Shah
Partner
Membership Number 106204

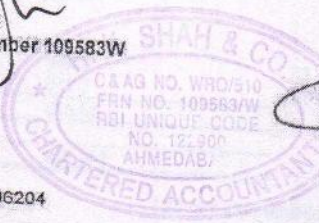
Place: Ahmedabad
Date: 14 June 2021

For and on behalf of the Board of Directors

Jayanti Venkatraman
Director
DIN 01930389

Place: Mumbai
Date: 14 June 2021

Yogen Babulal Lal
Director
DIN : 01828376



Welspun Infracore Private Limited

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

A. Equity share capital

	(Rupees in lakhs)
	Amount
Balances as at 31 March 2019	-
Changes during the period	1
Balances as at 31 March 2020	1
Changes during the year	1,864
Balances as at 31 March 2021	1,865

B Instrument entirely equity in nature

	Amount
Balances as at 31 March 2019	-
Changes during the period	-
Balances as at 31 March 2020	-
Changes during the year	14,039
Balances as at 31 March 2021	14,039

C. Other Equity

	Retained earnings	Security Premium	Total other equity
Balances as at 31 March 2019	-	-	-
Loss for the period	(0)	-	(0)
Other comprehensive income	-	-	-
Total comprehensive income for the period	(0)	-	(0)
Balances as at 31 March 2020	(0)	-	(0)
Loss for the year	(8)	13,796	13,788
Other comprehensive income	-	-	-
Total comprehensive income for the year	(8)	13,796	13,788
Balances as at 31 March 2021	(8)	13,796	13,788

As per our report of even date attached.

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

CA Gopesh K. Shah
Partner
Membership Number 106204

Place: Ahmedabad
Date: 14 June 2021

For and on behalf of the Board of Directors

Jayanti Venkatraman
Director
DIN 01930389

Yogen Babulal Lal
Director
DIN: 01828376

Place: Mumbai
Date: 14 June 2021

Welspun Infracore Private Limited

Statement of Cash Flow for the period ended 31 March 2021

	(Rupees in lakhs)	
	Period ended 31 March 2021	Period ended 31 March 2020
Cash flows from operating activities		
Net Profit before tax and exceptional items		(0)
Add : Finance expenses	(0)	0
(Increase) in other current assets	(9,807)	(35)
Increase in current Liability	16,364	3
Cash Generated/ (used) from/ in Operation	6,557	(32)
Tax Paid (net)	(12)	-
Net cash flow from/ (used in) operating activities (A)	6,545	(32)
Cash flows from investing activities		
Decrease/(Increase) in Intangible asset under development	(74,368)	-
Net cash flow from/ (used in) investing activities (B)	(74,368)	-
Cash flows from financing activities		
Proceeds from short term borrowing	44,851	32
Repayment of short term borrowing	(488)	-
Proceeds from long term borrowing	26,532	-
Repayment of long term borrowing	-	-
Proceeds from issue of shares	-	1
Proceeds from issue of optionally convertible debentures	-	-
Finance Cost	-	(0)
Net cash flow from/ (used in) in financing activities (B)	70,907	33
Net increase/(decrease) in cash and cash equivalents (A+B)	3,084	1
Cash and cash equivalents at the beginning of the period	1	-
Cash and cash equivalents at the end of the period	3,085	1
Components of cash and cash equivalents		
Cash and cash equivalent	3,085	1
Total cash and cash equivalents	3,085	1

Notes forming part of the financial statements (Refer note:1 to 38)

As per our report of even date attached.

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

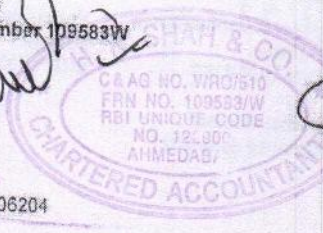
CA Gopesh K. Shah
Partner
Membership Number 106204

Place: Ahmedabad
Date: 14 June 2021

For and on behalf of the Board of Directors

Jayant Venkatraman Yogen Babulal Lal
Director Director
DIN 01930389 DIN : 01828376

Place: Mumbai
Date: 14 June 2021



Welspun Infracility Private Limited

Notes forming part of the financial statements

1 Company information

Welspun Infracility Private Limited, ('the Company') is domiciled and incorporated in India and is a wholly owned subsidiary company of Welspun Enterprises Limited. The Company is engaged into Eight laning of Mukarba Chowk Panipat section of National Highway - 1 (New NH-44) from km. 15.500 to km. 86.000 in the State of Haryana through Public Private Partnership (PPP) on Design, Build, Finance, Operate and Transfer basis (DBFOT).

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

2 Basis of preparation

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

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

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

3 (A) Significant accounting policies

i) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

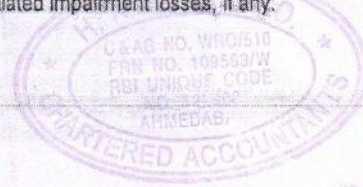
The Company classifies all other liabilities as non-current.

The company has identified 12 months as its operating cycle.

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

ii) Intangible assets

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



Welspun Infracore Private Limited

Notes forming part of the financial statements

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

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

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

iii) Impairment of non-financial assets

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

iv) Service concession arrangements

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

Under Appendix A to Ind AS 11 - Service Concession Arrangements, these arrangements are accounted for based on the nature of the consideration. The financial asset model is used to the extent the Company has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction services. If the Company performs more than one service (i.e., construction or upgrade services and operation services) under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative fair values of the services delivered, when the amounts are separately identifiable.

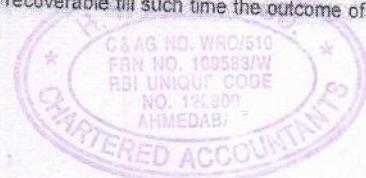
An intangible asset is measured at the fair value of consideration transferred to acquire the asset, which is the fair value of the consideration received or receivable for the construction services delivered. Refer note 3(A)(ii) for amortisation policy.

v) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements.

a) Construction contract revenue

Revenue from construction contracts is recognised by applying percentage of completion method after providing for foreseeable losses, if any. Percentage of completion is determined as a proportion of the cost incurred up to the reporting date to the total estimated cost to complete. Foreseeable losses, if any, on the contracts is recognised as an expense in the period in which it is foreseen, irrespective of the stage of completion of the contract. While determining the amount of foreseeable loss, all elements of cost and related incidental income not included in contract revenue is taken into consideration. Contract is reflected at cost that are expected to be recoverable till such time the outcome of the contract cannot be ascertained reliably and at reliable value thereafter.



Welspun Infracore Private Limited

Notes forming part of the financial statements

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) Interest income

Interest income for all debt instruments, measured at amortised cost or fair value through other comprehensive income, is recognised using the effective interest rate method and shown under interest income in the statement of profit and loss.

iv) Taxes on income

a) Current tax

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

b) Deferred tax

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

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

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

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

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

v) Foreign currency transactions

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



Welspun Infrafacility Private Limited

Notes forming part of the financial statements

vi) Cash and cash equivalents

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

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

vii) Earnings per share

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

viii) Provisions, contingent liabilities and contingent assets

a) Provisions

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

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

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

b) Contingent liabilities and contingent assets

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

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

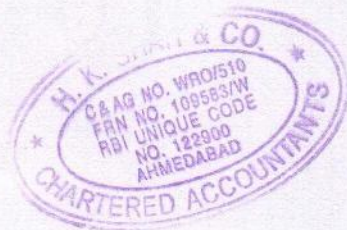
ix) Financial instruments

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

A. Financial assets

Initial recognition and measurement

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



Weispun Infracapital Private Limited

Notes forming part of the financial statements

Subsequent measurement

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

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

Debt instruments

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

a) Debt instruments measured at amortised cost

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

b) Debt instruments measured at FVTOCI

Debt instruments that are held for collection of contractual cash flows and for selling the financial assets, where the assets cash flows represent solely payment of principal and interest, are measured at FVTOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest income which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in the OCI is reclassified from equity to statement of profit and loss. Income from these financial assets is included in interest income using the effective interest rate method. Currently the Company doesn't have any financial assets classified under these category.

c) Debt instruments measured at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

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

d) Equity instruments

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

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

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

Derecognition of financial assets

A financial asset is derecognised only when

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



Welspun Infracore Private Limited

Notes forming part of the financial statements

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

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

Impairment of financial assets

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

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

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

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

B. Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

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

a) Financial liabilities measured at amortised cost

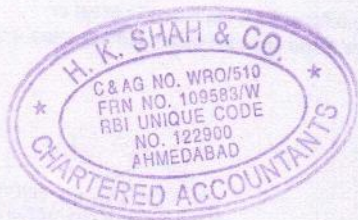
After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognised in the statement of profit and loss when the liabilities are derecognised as well as through the EIR amortization process. Amortized cost is calculated by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

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

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

Derecognition

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



Welspun Infracore Private Limited

Notes forming part of the financial statements

x) Fair value measurement

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

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

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

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

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

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

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

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

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

xi) Government grants

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

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

xii) Borrowing costs

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

xiii) Exceptional items

On certain 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.



Welspun Infracore Private Limited

Notes forming part of the financial statements

3 (B) Significant estimates, judgements and assumptions

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

a) Contingencies and commitments

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

b) Impairment testing

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

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

c) Taxes

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

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

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

d) Fair Value Measurement

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

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

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

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

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

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



Welspun Infracore Private Limited

Notes forming part of the financial statements

e) Recent Indian Accounting Standards (Ind AS)

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

Balance Sheet:

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

Statement of profit and loss:

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

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



Welspun Infracore Private Limited

Notes forming part of the condensed interim financial statements

	(Rupees in lakhs)
4 Intangible asset under development	
Gross carrying amount (cost)	
As at 31 March 2019	-
Additions	-
Disposals/ written off	-
Transfer from/ (to)	-
As at 31 March 2020	-
Additions	-
Disposals/ written off	133,919
As at 31 March 2021	133,919
Accumulated Amortisation	
Upto 31 March 2019	-
Additions	-
Upto 31 March 2020	-
Additions	-
As at 31 March 2021	-
Net carrying amount as at 31 March 2021	133,919
Net carrying amount as at 31 March 2020	-



Welspun Infracore Private Limited

Notes forming part of the financial statements

	(Rupees in lakhs)	
	As at 31 March 2021	As at 31 March 2020
5 Non current tax assets		
Balance with Government authorities - Direct tax	12	
	<u>12</u>	<u>-</u>
6 Contract assets		
Contract assets		
- Related party (Refer note 30)	9,212	-
	<u>9,212</u>	<u>-</u>
7 Loans		
Security deposit	39	-
	<u>39</u>	<u>-</u>
8 Trade receivable		
Unsecured		
Others		
- Considered good	45	-
	<u>45</u>	<u>-</u>
9 Cash and cash equivalents		
Balances with banks		
- In current accounts	3,085	1
Total	<u>3,085</u>	<u>1</u>
10 Other Current Assets		
Balances with government authorities - Indirect taxes	446	5
Advances to suppliers	27	-
Prepaid expenses	74	30
Total	<u>547</u>	<u>35</u>



Welspun Infracore Private Limited

Notes forming part of the financial statements

11 Share capital and other equity

11(a) - Equity share capital

Particulars	(Rupees in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Authorised share capital 25,000,000 (31 March 2020: 10,000) Equity Shares of	2,500	1
Issued, subscribed and paid up 18,652,857 (31 March 2020: 10,000) Equity Shares of Rs.10 each fully paid up	1,865	1
Total	1,865	1

Terms/ rights attached to equity shares

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

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

(i) Details of shares held by holding company

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% Holding	Number of shares	% Holding
Welspun Enterprises Limited and its nominees	18,652,857	100.00%	10,000	100.00%

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	% Holding	Number of shares	% Holding
Welspun Enterprises Limited and its nominees	18,652,857	100.00%	10,000	100.00%

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

Particulars	As at 31 March 2021		As at 31 March 2020	
	Number of shares	Amount	Number of shares	Amount
Number of shares at the beginning of the year	10,000	1	-	-
Add : Shares issued during the year	18,642,857	1,864	10,000	1
Number of shares at the end of the year	18,652,857	1,865	10,000	1



Welspun Infracore Private Limited

Notes forming part of the financial statements

11 Share capital and other equity

11(b) - Instrument entirely equity in nature

Particulars	As at	As at
	31 March 2021	31 March 2020
Optionally convertible debentures ('OCD')	-	-
1,40,39,000 (31 March 2020: Nil) 0% Optionally convertible debentures of Rs	14,039	-
Total	14,039	-

Terms and conditions

Each debenture having face value of Rs 100 each shall be convertible at the option of the holder at any time during the tenure of the debentures into 10 equity shares of Rs 10 each. If the debentures are not redeemed within 18 years from the date of issue, the debentures will be mandatorily converted into equity shares. Debentures shall be redeemable at the option of the issuer, any time after a period of 3 months from the date of issue but not later than 18 years. If redeemed after a period of 2 years from the date of issue, the redemption amount shall be the aggregate of the issue price and premium equivalent to 15% of the aggregate of present value of Free Cash Flow for Equity (FCFE) and cash balance, if any of the issuer. Before redeeming the OCDs, the issuer shall give option to holder to convert the OCDs in to equity by issuing 15 day's notice thereto. If the holder does not opt for converting, the issuer shall redeem within 7 days of the expiry of the notice period.

11(c) - Other Equity

Particulars	(Rupees in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Retained earnings	(8)	(0)
Security Premium	13,796	-
Total	13,788	(0)

(i) Retained earnings

Particulars	As at	As at
	31 March 2021	31 March 2020
Opening balance	(0)	-
Total comprehensive income for the year	(8)	(0)
Closing balance	(8)	(0)

(ii) Security Premium

Particulars	As at	As at
	31 March 2021	31 March 2020
Opening balance	-	-
During the year	13,796	-
Closing balance	13,796	-

Nature and purpose of reserves :-

Retained earnings

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



Welspun Infracore Private Limited

Notes forming part of the financial statements

12 Non-Current financial liabilities - borrowing

	(Rupees in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Secured		
Term loan from		
- Banks		
- Financial Institutions	23,059	-
- (Less) - Current maturities of long term borrowings (Refer note 17)	56,335	-
Total	(1,668)	-
	77,726	-

Nature of security and terms of repayments

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

i) Nature of security

First charge on tangible movable assets including movable plant and machinery, furniture & fixture, vehicles and all other movable assets, both present and future.

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

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

a charge/ assignment by way of hypothecation in:

(i) all the right, title, interest, benefits, claims and demands whatsoever of the Company in the Project Agreements including Substitution Agreement

(ii) the right, title and interest of the Company in, to and under all the clearances;

(iii) all the right, title, interest, benefits, claims and demands whatsoever of the Company in the letter of credit (if any), guarantee, including contractor guarantees and revised interest and performance bond provided by any party to the Project Agreements, Escrow Agreement and Substitution Agreement and

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

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

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

ii) Repayment terms

Rate of Interest - IIFCL Bank rate plus 1.80%

Payable in 45 quarterly installments starting from June 2021 and ending in June 2033

13 Deferred tax liabilities (net)

Taxable difference on borrowings

Deductible difference on intangible assets

	11	-
	(3)	-
Total	8	-

14 Contract Liability

Contract Liability

- Others

	4,049	-
Total	4,049	-

15 Current financial liabilities - Borrowing

Unsecured

- Related party (Refer note 30)

Loan repayable on demand

Total

	14,708	32
Total	14,708	32



Welspun Infracore Private Limited

Notes forming part of the financial statements

	(Rupees in lakhs)	
	As at 31 March 2021	As at 31 March 2020
16 Trade payables		
Total outstanding dues of micro and small medium enterprises (A)		
Total outstanding dues of creditors other than micro enterprises and small enterprises (B)		
- related parties	17,280	-
- others	673	0
Total (A+B)	17,953	0
17 Other current financial liabilities		
Current maturities of long term borrowings (Refer note 12)	1,668	
Total	1,668	
18 Other current liabilities		
Statutory dues payable	1,055	3
Total	1,055	3



Welspun Infracility Private Limited

Notes forming part of the financial statements

	(Rupees in lakhs)	
	Period ended 31 March 2021	Period ended 31 March 2020
19 Revenue from operations		
Construction revenue	62,808	-
Utility Revenue	125	-
Total	62,933	-
20 SubContracting Expenses		
Civil and Sub contracting charges	58,032	-
Total	58,032	-
21 Finance costs		
Bank charges and other finance costs	0	0
Total	0	0
22 Other expenses		
Audit fees (including fees for limited review)	1	0
Project Monitoring and Maintenance Fees	4	-
Site work expenses	0	-
Leases	4	-
Insurance	286	-
Power and Fuel	3	-
Rates and Taxes	4,413	-
Repairs - Road	4	-
Professional fees	164	-
Miscellaneous expenses	22	0
Total	4,901	0



Welspun Infrafacility Private Limited

Notes forming part of the financial statements

23 Income tax

The major components of income tax for the year ended 31 March 2021 are as under:

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

	(Amount in Rs.)	
	Period ended 31 March 2021	Period ended 31 March 2020
Current tax		
Current tax on taxable income for the year	-	-
Deferred tax		
Ind AS adjustment	8	-
Total deferred tax charge/ (credit)	8	-
Income tax expense reported in the statement of profit and loss	8	-

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

	(Amount in Rs.)	
	Period ended 31 March 2021	Period ended 31 March 2020
Accounting profit before tax	(0)	(0)
At India's statutory income tax rate	(0)	(0)
Tax effect of amount which are not taxable in calculating taxable income :		
Other allowances for tax purpose	8	0
Income tax expenses reported in the statement of profit (Refer Note 3 (A) (v)) in Significant Accounting Policies	8	-

iii) Deferred tax relates to the following:

	Balance Sheet		Recognized in the statement of profit and loss	
	As at 31 March 2021	As at 31 March 2020	Period ended 31 March 2021	Period ended 31 March 2020
A. Deferred tax liabilities (net)				
I. Deferred tax liabilities				
Taxable difference on borrowings	11	-		
Deductible difference on intangible assets	(3)	-	8	-
Total	8	-	8	-
Deferred tax charge/(credit)			8	-



Notes forming part of the financial statements

24 Financial risk management objectives and policies

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

Market risk

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

Interest rate risk

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

(i) Interest rate risk exposure

	(Rupees in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Variable rate borrowings	79,394	-

ii) Interest rate sensitivity

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

Effect on Profit before tax	(Rupees in lakhs)	
	Period ended 31 March 2021	Period ended 31 March 2020
Interest rates : (Increase) by 50 basis points	(397)	Nil
Interest rates : Decrease by 50 basis points	397	Nil

Foreign Currency risk

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

Credit risk

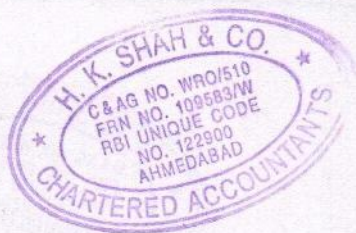
Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical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

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

	Period ended 31 March 2021	Period ended 31 March 2020
Trade Receivables		
Less than one year		
Security deposit	45	-
Less than one year		
Total	39	-
	83	-

Liquidity risk

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



Welspun Infracore Private Limited

Notes forming part of the financial statements

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

	(Rupees in lakhs)		
	Long term borrowings	Short term borrowings	Trade Payable
Less than 1 year	1,668	14,708	17,953
1 to 5 years	15,147	-	-
More than 5 year	62,579	-	-
Total	79,394	14,708	17,953

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

	(Rupees in lakhs)		
	Long term borrowings	Short term borrowings	Trade Payable
Less than 1 year	-	32	0
1 to 5 years	-	-	-
More than 5 year	-	-	-
Total	-	32	0

25 Capital Management

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

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

	(Rupees in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Net Debt	114,074	35
Total Capital	15,896	1
Capital and net debt	129,970	35.40
Capital Gearing Ratio	87.77%	97.96%



Welspun Infracore Private Limited

Notes forming part of the financial statements

26 Fair value measurements

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

Financial instruments by category

	As at 31 March 2021		As at 31 March 2020	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
(Rupees in lakhs)				
Financial assets (other than investment in subsidiaries, joint venture and associates)				
Current assets				
Loans	-	39	-	-
Trade receivables	-	45	-	-
Cash and cash equivalents	-	3,085	-	-
Total financial assets	-	3,168	-	-
Financial liabilities				
Current liabilities				
Borrowings	-	14,708	-	32
Trade payables	-	17,953	-	0
Other financial Liability	-	1,668	-	-
Total financial liabilities	-	34,329	-	33

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.

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

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

Level 2: other 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 use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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



Welspun Infracore Private Limited

Notes forming part of the financial statements

27 Earnings per share (EPS)

	(Rupees in lakhs)	
	As at 31 March 2021	As at 31 March 2020
Net profit after tax available for equity	(7.57)	(0.26)
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating basic EPS (Number of shares)	6,198,845	5,507
Add : Effect of dilutions :-		
Compulsorily Convertible Debentures (Number of shares) *	92,114,440	-
Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating diluted EPS (Number of shares)	98,313,285	5,507
Basic earnings per share (Rs)	(0.12)	(5.05)
Diluted earnings per share (Rs)	(0.12)	(5.05)

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

28 Commitment and contingencies

The Company does not have any contingent liability and commitments as at 31 March 2021

29 Segment Information

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

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

a) Particulars of Holding Company

Name of the entities	Extent of holding		Relationship
	As at 31 March 2021	As at 31 March 2020	
Welspun Enterprises Limited	100.00%	100.00%	Holding Company

b) Directors / Key managerial Personnel (KMP)

Name of the Related Parties	
Mr Jitendra Jain ^A	Director
Mr Lalit Kumar Jain *	Director
Mr Yogen Lal *	Director
Mrs Jayanti Venkatraman **	Director

* with effect from 13 September 2019

** with effect from 22 June 2020

^A with effect from 13 September 2019 till 30 June 2020



Welspun Infracore Private Limited

Notes forming part of the financial statements

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

Nature of transactions	Period ended 31 March 2021	Period ended 31 March 2020
Subcontracting & Project Monitoring and Maintenance		
Welspun Enterprises Limited		
Borrowing taken	57,920	-
Welspun Enterprises Limited		
Borrowing repaid	44,861	32
Welspun Enterprises Limited		
Mobilization advances given to	486	-
Welspun Enterprises Limited		
Mobilization advances repaid/ adjusted to	11,000	-
Welspun Enterprises Limited		
Conversion of borrowings to optionally convertible debentures	1,788	-
Welspun Enterprises Limited		
Conversion of borrowing for issue of equity shares including security premium	14,039	-
Welspun Enterprises Limited		
	15,660	1

Closing balances as at		
Nature of transactions	As at 31 March 2021	As at 31 March 2020
Short term borrowings		
Welspun Enterprises Limited	14,708	32
Optionally convertible debentures		
Welspun Enterprises Limited	14,039	-
Trade Payable		
Welspun Enterprises Limited	17,280	-
Mobilization advance receivable		
Welspun Enterprises Limited	9,212	-

During the current period, Welspun Enterprises Limited had given guarantee for the Company for company's debt obligations to lenders, pursuant to which maximum exposure aggregates to Rs 79,394 lakhs (31 March 2020: Nil). Transactions with related parties are at arm's length and in the ordinary courses of business. All the outstanding balances are unsecured and settled for consideration in cash.

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

A) Disaggregation of Revenue

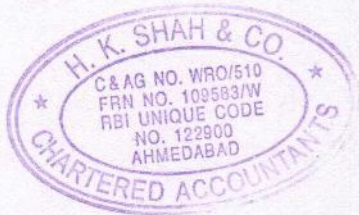
Having regard to the nature of contract with customer, there is only one type of category of revenue, hence disclosure of disaggregation of revenue is not given.

B) Contract Balances

(Rupees in lakhs)		
	Period ended 31 March 2021	Period ended 31 March 2020
Contract assets	9,212	-
Contract liabilities	4,049	-

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 increase in Contract assets in March 2021 is on account of increase in mobilization advances as per terms of the contract.



Welspun Infracore Private Limited

Notes forming part of the financial statements

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 2021 is on account of mobilization advances as per terms of the contract.

32 Concession arrangements - main features

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

As on 31 March 2021 the project is in construction phase.

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

	Equity share capital including securities premium	Optionally convertible debentures	Short term borrowings	Long term borrowings
As at 31 March 2020	1	-	32	-
Cash inflows	15,660	-	44,861	26,532
Cash outflows	-	-	(488)	-
Other non cash changes	-	14,039	(29,699)	52,862
As at 31 March 2021	15,661	14,039	14,708	79,394

	Equity share capital including securities premium	Optionally convertible debentures	Short term borrowings	Long term borrowings
As at 31 March 2019	-	-	-	-
Cash inflows	1	-	32	-
Cash outflows	-	-	-	-
Other non cash changes	-	-	-	-
As at 31 March 2020	1	-	32	-

- 34 Under the Micro, Small and Medium Enterprise Development Act, 2006 ("MSMED Act") which came into force effective from October 2, 2006, certain disclosures relating to amounts due to micro, small and medium enterprises are required to be made. As the relevant information is not yet readily available and /or not given or confirmed by such enterprises, it is not possible to give required information in the accounts. However, in view of the management, the impact of interest, if any, which may subsequently become payable to such enterprises in accordance with the provisions of the Act, would not be material and the same, if any, would be disclosed in the year of payment of interest.
- 35 Details of loans given, investments made and guarantee given covered U/s 186 of the Companies Act, 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.



Weispun Infracility Private Limited

Notes forming part of the financial statements

36 Business Combination

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

In accordance with Ind AS 103 "Business Combination", based on a fair valuation report and purchase price allocation (PPA), the Company has recorded intangible assets under development of Rs 66,315 lakhs and equivalent amount of liabilities assumed on acquisition resulting in Nil goodwill. Revenues recognised with respect to the aforesaid undertaking from acquisition date till reporting date is Rs 62,608 lakhs.

37 Estimation of uncertainty relating to COVID - 19 Outbreak

The Company's operations and financial results had been adversely impacted by the lockdown imposed to contain the spread of COVID-19. The operations gradually resumed with requisite precautions during the current period with limited availability of workforce and disrupted supply chain. With easing of lockdown, the Company's performance for the current year has been progressive and we expect the momentum to continue with an overall improvement in Covid situation. The Company has assessed the impact of pandemic on its financial results/position based on the internal and external information available up to the date of approval of these financial results and expects to recover the carrying value of its assets. The Company continues to monitor the economic effects of the pandemic while taking steps to improve its execution efficiencies and the financial outcome.

38 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. The comparatives are prepared from the date of incorporation i.e. 13 September 2019 to 31 March 2020. Hence previous period figures are not comparable with the current year.

As per our report of even date

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

CA Gopesh K. Shah
Partner
Membership Number 106204

Place: Ahmedabad
Date: 14 June 2021

For and on behalf of the Board of Directors

Jayanti Venkatraman
Director
DIN 01930389

Place: Mumbai
Date: 14 June 2021

Yogen Babulal Lal
Director
DIN : 01828376