



# H K Shah & Co.

## CHARTERED ACCOUNTANTS

### INDEPENDENT AUDITOR'S REPORT

To  
The Managing Committee,  
Welspun-Kaveri Infraprojects JV

#### **Opinion**

We have audited the accompanying financial statements of Welspun-Kaveri Infraprojects JV ("Controlled Structured Entity"), which comprise the Balance Sheet as at 31st March, 2023, the Statement of Profit and Loss (including other comprehensive income) for the period 1st April 2022 to 31st March 2023, the statement of changes in equity and the Cash Flow Statement for the year then ended and notes to financial statement, including 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 as required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of Controlled Structured Entity as at 31st March 2023, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the standards on auditing issued by the ICAI. 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 Controlled Structured Entity in accordance with the code of ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules there under, 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.

#### **Responsibilities of Management and Those Charged with Governance for the Ind AS Financial Statements**

The Management 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, changes in equity and cash flows of Controlled Structured Entity 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.



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This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of Controlled Structured Entity 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 Controlled Structured Entity'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 Controlled Structured Entity or to cease operations, or has no realistic alternative but to do so.

The Management is also responsible for overseeing Controlled Structured Entity's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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 Controlled Structured Entity'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 Controlled Structured Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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



CA Gopesh Shah  
Partner

M. No.: 106204

Place : Ahmedabad

Date : 08.05.2023

UDIN : 23106204BGWDMJ9404

Welspun-Kaveri Infraprojects JV  
CIN: U41000GJ2021PTC141882

Balance Sheet as at 31 March 2023

		(Rupees in lakhs)	
	Notes	As at 31 March 2023	As at 31 March 2022
<b>ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Non-current tax assets (net)	3	1,021	214
		<b>1,021</b>	<b>214</b>
<b>2. Current assets</b>			
(a) Contract assets	4	25,744	8,437
<b>(b) Financial assets</b>			
(i) Trade Receivable	5	218	1,724
(ii) Cash and cash equivalents	6	88	13
(iii) Bank balances other than (ii) above	7	100	-
(iv) Other financial assets	8	3	3
(c) Other current assets	9	7,039	2,091
		<b>33,192</b>	<b>12,269</b>
<b>Total assets</b>		<b>34,213</b>	<b>12,483</b>
<b>LIABILITIES</b>			
<b>1. Current liabilities</b>			
(a) Contract liabilities	10	22,797	9,914
<b>(b) Financial liabilities</b>			
(i) Borrowings	11	141	327
(ii) Trade payables	12	-	-
Total outstanding dues of micro enterprises and small		8,995	1,615
Total outstanding dues of creditors other than micro enterprises		-	-
and small enterprises		2,280	627
(c) Other current liabilities	13	2,280	627
		<b>34,213</b>	<b>12,483</b>
<b>Total equity and liabilities</b>		<b>34,213</b>	<b>12,483</b>

Notes forming part of the financial statements (Refer note 1 to 28 )

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: 12 May 2023



For and on behalf of the Welspun-Kaveri  
Infraprojects JV



Yogen Babulal Lal  
Authorised Signatory

Place: Mumbai  
Date: 12 May 2023



Jayanti Venkatraman  
Authorised Signatory

Welspun-Kaveri Infraprojects JV  
CIN: U41000GJ2021PTC141882

Statement of Profit and Loss for the year ended 31 March 2023

		(Rupees in lakhs)	
	Note	Year ended 31 March 2023	Year ended 31 March 2022
Revenue from operations	14	55,711	9,971
Other income	15	2	-
<b>Total income</b>		<b>55,713</b>	<b>9,971</b>
<b>Expenses</b>			
SubContracting expenses	16	54,940	9,912
Finance costs	17	187	44
Other expenses	18	587	16
<b>Total expenses</b>		<b>55,713</b>	<b>9,971</b>
<b>Profit/(loss) for the year</b>		<b>-</b>	<b>-</b>
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>

Notes forming part of the financial statements (Refer note 1 to 28 )

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: 12 May 2023



For and on behalf of the Welspun-Kaveri  
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Yogen Babulal Lal  
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Place: Mumbai  
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CIN: U41000GJ2021PTC141882

Statement of changes in equity for the year ended 31 March 2023

A. Equity share capital

(Rupees in lakhs)

(i) Current year	Balances as at 01 April 2022	Changes in equity share capital due to prior period errors	Restated balance as at 01 April 2022	Change in equity share capital during the year	Balance as at 31 March 2023
	-	-	-	-	-

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

B. Other Equity

	Retained earnings	Total other equity
Balances as at 31 March 2021	-	-
Profit for the year	-	-
Other comprehensive income	-	-
Total comprehensive income for the year	-	-
Balances as at 31 March 2022	-	-
Profit for the year	-	-
Other comprehensive income	-	-
Total comprehensive income for the year	-	-
Balances as at 31 March 2023	-	-

Notes forming part of the financial statements (Refer note 1 to 28 )

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: 12 May 2023

For and on behalf of the Welspun-Kaveri Infraprojects JV

  
Yogen Babulal Lal  
Authorised Signatory

Place: Mumbai  
Date: 12 May 2023

  
Jayanti Venkatraman  
Authorised Signatory



Welspun-Kaveri Infraprojects JV  
CIN: U41000GJ2021PTC141882

Statement of Cash Flow for the year ended 31 March 2023

	(Rupees in lakhs)	
	Year ended 31 March 2023	Year ended 31 March 2022
<b>Cash flows from operating activities</b>		
Profit before tax	-	-
<b>Adjustments for</b>		
Finance costs	187	44
Interest on Fixed Deposits	(2)	
(Increase)/ Decrease of trade and other receivables	(20,749)	(12,256)
Increase/ (Decrease) of trade and other payables	21,916	12,156
<b>Cash used in operating activities</b>	<b>1,352</b>	<b>(56)</b>
Less: Direct taxes paid	(807)	(214)
<b>Net cash flow from/ (used in) operating activities (A)</b>	<b>545</b>	<b>(270)</b>
<b>Cash flows from investing activities</b>		
Investment in bank deposits	(100)	-
Interest received on fixed deposits	2	
<b>Net cash flow from/ (used in) investing activities (B)</b>	<b>(98)</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	970	327
Repayment of short term borrowing	(1,156)	-
Finance costs paid	(187)	(44)
<b>Net cash flow from/ (used in) in financing activities (C)</b>	<b>(373)</b>	<b>284</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>74</b>	<b>13</b>
Cash and cash equivalents at the beginning of the year	13	-
<b>Cash and cash equivalents at the end of the year</b>	<b>88</b>	<b>13</b>
<b>Components of cash and cash equivalents</b>		
Cash and cash equivalent	88	13
<b>Total cash and cash equivalents</b>	<b>88</b>	<b>13</b>

Notes forming part of the financial statements (Refer note 1 to 28 )

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: 12 May 2023



For and on behalf of the Welspun-Kaveri  
Infraprojects JV

Yogen Babulal Lal  
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Place: Mumbai  
Date: 12 May 2023

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**Welspun-Kaveri Infraprojects JV**  
CIN: U41000GJ2021PTC141882

**Notes forming part of the financial statements**

**1 Structured entity information**

Welspun-Kaveri Infraprojects JV, ('the Structured entity') was formed on 22 October 2020 by Welspun Enterprises Limited and Kaveri Infraprojects Private Limited . The Structured entity is engaged into implementation of various rural water supply projects in the state of Uttar Pradesh on (Engineering, Procurement and Construction ('EPC')).

The financial statements of the Structured entity are prepared for the year ended 1 April 2022 to 31 March 2023.

**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 as amended and other relevant provisions of the Act including the requirements mentioned in Division II of Schedule III as amended from time to time, to the extent applicable.

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.

**3 (A) Significant accounting policies**

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

The Structured entity 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 year, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year

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 year, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year

The Structured entity classifies all other liabilities as non-current.

The Structured entity has identified 12 months as its operating cycle.

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

**(ii) Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Structured entity expects to be entitled in exchange for those goods or services. Refer Note 3(B) for Changes in accounting policies and disclosures

The disclosures of significant accounting judgments, estimates and assumptions relating to revenue from contracts with customers are provided in Note 3(a).

**a) Construction contract revenue**

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

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





Welspun-Kaveri Infraprojects JV  
CIN: U41000GJ2021PTC141882

#### Notes forming part of the financial statements

##### b) Variable consideration

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

##### c) Contract Balances

###### Contract assets and contract liabilities

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

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

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

###### Trade receivables

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

##### d) Cost to obtain a contract

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

##### e) Financing components

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

##### 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 period 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 years is reversed by crediting to the statement of profit and loss if there has been a change in the estimate of recoverable amount.

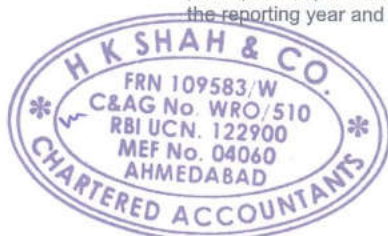
##### iv) Taxes on income

###### a) Current tax

The income tax expense or credit for the period is the tax payable on the current year'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 year.

###### 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 year and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.



**Welspun-Kaveri Infraprojects JV**  
**CIN: U41000GJ2021PTC141882**

**Notes forming part of the financial statements**

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.

**v) Foreign currency transactions**

The Structured entity's financial statements are presented in INR, which is also the Structured entity'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 Structured entity's monetary items at the closing rate are recognised as income or expenses in the year 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.

**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 Structured entity's cash management.

**vii) Earnings per share**

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

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

**a) Provisions**

Provisions are recognized when the Structured entity 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 Structured entity expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

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

**b) Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non occurrence of one or more uncertain future events beyond the control of the Structured entity 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 Structured entity. Contingent assets are not recognized, but are disclosed in the financial statements.

**Viii) 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.



Notes forming part of the financial statements

**A. Financial assets**

**Initial recognition and measurement**

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

**Subsequent measurement**

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

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

**Debt instruments**

The subsequent measurement of debt instruments depends on their classification. The classification depends on the Structured entity'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 Structured entity 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 Structured entity 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 Structured entity 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 Structured entity may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Structured entity makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Structured entity 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 Structured entity 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 Structured entity doesn't have any financial assets classified under these categories.

**Derecognition of financial assets**

A financial asset is derecognised only when

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

Where the entity has transferred an asset, the Structured entity 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.



**Welspun-Kaveri Infraprojects JV**  
**CIN: U41000GJ2021PTC141882**

#### **Notes forming part of the financial statements**

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 Structured entity has not retained control of the financial asset. Where the Structured entity 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 Structured entity assesses impairment based on expected credit losses (ECL) model to the following:

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

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

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

#### **B. Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are recognised when the Structured entity becomes a party to the contractual provisions of the instrument. The Structured entity 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.

##### **ix) Fair value measurement**

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

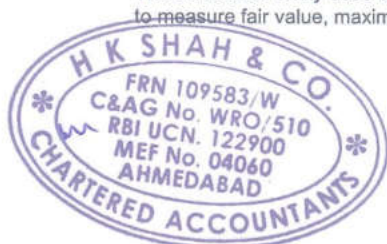
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes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

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 Structured entity 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.



**Notes forming part of the financial statements**

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 Structured entity 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 year.

**x) Government grants**

Government grants 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 years 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 Structured entity 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.

**xi) Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a Substantial year 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 year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**xii) Exceptional items**

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

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

The preparation of financial statements requires management to exercise judgment in applying the Structured entity'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 year in which the estimates are revised and in any future years affected.

**a) Contract estimates**

The Structured entity prepares budgets in respect of each EPC projects to compute project profitability and construction revenue under percentage of completion method. The major component of contract estimate is budgeted cost to complete the contract. Due to complexities involved in the budgeting process, contract estimates are sensitive to changes in these assumptions. Budgeted costs are reviewed at each reporting date.

**b) Contingencies and commitments**

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Structured entity. 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.

**3 (C) Recent Indian Accounting Standards (Ind AS)**

The Ministry of Corporate Affairs (MCA) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

**Ind AS 1, Presentation of Financial Statements**

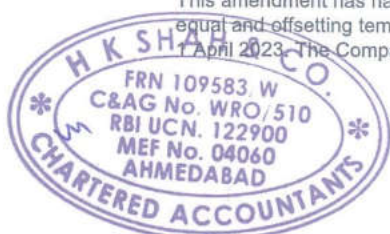
This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the financial statements.

**Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors**

This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its financial statements.

**Ind AS 12, Income Taxes**

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after 1 April 2023. The Company has evaluated the amendment and there is no impact on its financial statements.



Welspun-Kaveri Infraprojects JV  
CIN: U41000GJ2021PTC141882

Notes forming part of the financial statements

	(Rupees in lakhs)	
	As at 31 March 2023	As at 31 March 2022
<b>3 Non current tax assets</b>		
Balances with government authorities		
- Direct tax	1,021	214
<b>Total</b>	<b>1,021</b>	<b>214</b>
<b>4 Contract assets</b>		
Contract assets		
- Other parties	25,744	8,437
<b>Total</b>	<b>25,744</b>	<b>8,437</b>
<b>5 Trade receivable</b> (Unsecured considered good unless otherwise stated)		
Trade receivables	218	1,724
	<b>218</b>	<b>1,724</b>

Ageing schedule for the years ended as on 31 March 2023

	Outstanding for following years from due date of payment					TOTAL
	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade Receivables - considered	218	-	-	-	-	218
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-

Ageing schedule for the years ended as on 31 March 2022

	Outstanding for following years from due date of payment					TOTAL
	< 6 months	6 months - 1 year	1-2 years	2-3 years	> 3 years	
(i) Undisputed Trade Receivables - considered	1,724	-	-	-	-	1,724
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - Credit	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-

**6 Cash and cash equivalents**

Balances with banks		
- On current accounts	88	13
<b>Total</b>	<b>88</b>	<b>13</b>

**7 Bank balances (other than 6 above)**

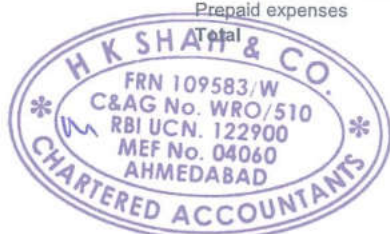
Deposit Accounts having original maturity of less	100	-
<b>Total</b>	<b>100</b>	<b>-</b>

**8 Current financial assets - others**

(Unsecured considered good, unless otherwise stated)		
Security deposits- Others	3	3
<b>Total</b>	<b>3</b>	<b>3</b>

**9 Other Current Assets**

(Unsecured considered good, unless otherwise stated)		
Advances to suppliers	0	-
Balances with government authorities - Indirect taxes	6,951	1,975
Prepaid expenses	88	116
<b>Total</b>	<b>7,039</b>	<b>2,091</b>



Welspun-Kaveri Infraprojects JV  
CIN: U41000GJ2021PTC141882

Notes forming part of the financial statements

		(Rupees in lakhs)	
		As at 31 March 2023	As at 31 March 2022
<b>10 Contract Liabilities</b>			
Contract Liabilities - Others		22,797	9,914
<b>Total</b>		<b>22,797</b>	<b>9,914</b>
<b>11 Current financial liabilities - Borrowings</b>			
<b>Unsecured</b>			
Loan repayable on demand (Interest free)			
- Related party (Refer note 24)		141	327
<b>Total</b>		<b>141</b>	<b>327</b>
<b>12 Trade payables</b>			
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		8,744	1,615
- others		251	0
<b>Total (A+B)</b>		<b>8,995</b>	<b>1,615</b>

**Ageing schedule for the year ended as on 31 March 2023**

	Outstanding for following year from due date of payment					Total
	Not due	< 1 year	1-2 years	2-3 years	> 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (including accrued liabilities)	8,995	-	-	-	-	8,995
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	<b>8,995</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,995</b>

**Ageing schedule for the year ended as on 31 March 2022**

	Outstanding for following year from due date of payment					Total
	Not due	< 1 year	1-2 years	2-3 years	> 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (including accrued liabilities)	1,615	-	-	-	-	1,615
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-
<b>Total</b>	<b>1,615</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,615</b>

**13 Other current liabilities**

Statutory dues payable	2,280	627
<b>Total</b>	<b>2,280</b>	<b>627</b>



Welspun-Kaveri Infraprojects JV  
CIN: U41000GJ2021PTC141882

Notes forming part of the financial statements

	(Rupees in lakhs)	
	Year ended 31 March 2023	Year ended 31 March 2022
<b>14 Revenue from operations</b>		
Construction revenue	55,711	9,971
<b>Total</b>	<b>55,711</b>	<b>9,971</b>
<b>15 Other income</b>		
Interest on Fixed Deposits	2	-
<b>Total</b>	<b>2</b>	<b>-</b>
<b>16 SubContracting Expenses</b>		
Civil and Sub contracting charges	54,940	9,912
<b>Total</b>	<b>54,940</b>	<b>9,912</b>
<b>17 Finance costs</b>		
Bank charges and other finance costs	187	44
<b>Total</b>	<b>187</b>	<b>44</b>
<b>18 Other expenses</b>		
Registration and Filing Fees	0	0
Professional Fees	475	-
Audit fees (Including fees for limited review)	1	0
Miscellaneous expenses	0	-
Project Monitoring and Maintenance Fees and Rates and Taxes	111	15
<b>Total</b>	<b>587</b>	<b>16</b>





Notes forming part of the financial statements

19 Fair value measurements

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

Financial instruments by category

(Rupees in lakhs)

	As at 31 March 2023		As at 31 March 2022	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial assets (other than investment in subsidiaries, joint venture and associates)				
<b>Current assets</b>				
Trade receivables	-	218	-	-
Cash and cash equivalents	-	88	-	1,724
Other bank balances	-	100	-	-
Other financial assets	-	3	-	-
<b>Total financial assets</b>	-	<b>409</b>	-	<b>1,724</b>
<b>Financial liabilities</b>				
<b>Current liabilities</b>				
Borrowings	-	141	-	327
Trade payables	-	8,995	-	1,615
<b>Total financial liabilities</b>	-	<b>9,136</b>	-	<b>1,943</b>

Fair value hierarchy

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

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 uses inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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



20 Ratio Analysis and its elements

Ratios	Numerator	Denominator	Measure (In times/percentage)	Year ended 31 March 2023	Year ended 31 March 2022	% variance	Reason for variance #
(a) Current Ratio (in times)	Current assets	Current liabilities	Times	0.97	#DIV/0!	#DIV/0!	On account of increase in current assets
(b) Debt-equity ratio	Total debt [Non-current borrowings + Current borrowings]	Total Equity	Times	#DIV/0!	#DIV/0!	#DIV/0!	-
(c) Debt service coverage ratio	Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Debt service = Interest & Lease Payments + Principal Repayments	Times	0.52	0.60	-12.34%	-
(d) Return on equity ratio	Profit after tax	Average of total equity	Percentage	#DIV/0!	#DIV/0!	#DIV/0!	On account of loss in F.Y. 2021-22
(e) Inventory turnover ratio	Costs of materials consumed	Average inventories	Times	Not applicable	Not applicable	Not applicable	-
(f) Trade receivables turnover ratio	Revenue from operations	Average trade receivables	Times	Not applicable	Not applicable	Not applicable	-
(g) Trade payables turnover ratio	Subcontracting costs + other expenses	Average trade payables	Times	1.02	3.68	-72.21%	On account of decrease in other expenses and increase in trade payables
(h) Net capital turnover ratio	Revenue from operations	Average Working capital [Current assets - Current liabilities]	Times	-109.09	#DIV/0!	#DIV/0!	On account of decrease in revenue and increase in working capital
(i) Net profit ratio	Profit after tax	Revenue from operations	Percentage	0.00%	#DIV/0!	#DIV/0!	On account of loss in F.Y. 2021-22
(j) Return on capital employed	Earnings before depreciation and amortisation, interest and tax [Earnings = Profit after tax + Tax expense + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)]	Capital employed [Total assets - Current liabilities + Current borrowings]	Percentage	9.67%	9.80%	-1.30%	-
(k) Return on investment	Income generated from invested funds	Average invested funds in treasury investments	Percentage	6.21%	5.53%	12.44%	-

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



Notes forming part of the financial statements

20 Financial risk management objectives and policies

The Structured entity is exposed to market risk, credit risk and liquidity risk. The Structured entity'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 Structured entity'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 Structured entity'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 2023	As at 31 March 2022
Variable rate borrowings	Nil	Nil

ii) Interest rate sensitivity

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

(Rupees in lakhs)

Effect on Profit before tax	Year ended 31 March 2023	Year ended 31 March 2022
Interest rates : (Increase) by 50 basis points	Nil	Nil
Interest rates : Decrease by 50 basis points	Nil	Nil

**Foreign Currency risk**

Currency risk is the risk that the fair value or future cash flows fluctuate because of changes in market prices of various currencies against the functional currency. However the Structured entity 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, Structured entity 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:

	Year ended 31 March 2023	Year ended 31 March 2022
Trade Receivables		
Less than one year	218	1,724
Security deposit		
Less than one year	3	3
<b>Total</b>	<b>221</b>	<b>1,727</b>

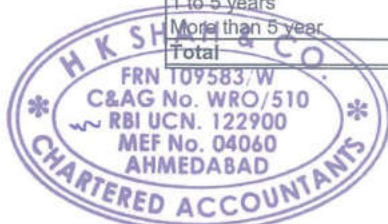
**Liquidity risk**

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

The table below summarises the maturity profile of the Structured entity's financial liabilities based on contractual undiscounted payments as at 31 March 2023

(Rupees in lakhs)

	Long term borrowings	Short term borrowings	Trade Payable
Less than 1 year	-	141	8,995
1 to 5 years	-	-	-
More than 5 year	-	-	-
<b>Total</b>	<b>-</b>	<b>141</b>	<b>8,995</b>



Welspun-Kaveri Infraprojects JV  
CIN: U41000GJ2021PTC141882

Notes forming part of the financial statements

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

	(Rupees in lakhs)		
	Long term borrowings	Short term borrowings	Trade Payable
Less than 1 year	-	327	1,615
1 to 5 years	-	-	-
More than 5 year	-	-	-
<b>Total</b>	-	<b>327.34</b>	<b>1,615</b>

**21 Capital Management**

For the purpose of Structured entity's capital management, capital includes issued capital and other equity reserves attributable to the shareholders. The primary objective of the Structured entity's Capital Management is to maximize shareholder value. The Structured entity 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 Structured entity monitors capital using gearing ratio, which is net debt divided by total capital plus net debt. The Structured entity includes within net debt, interest bearing borrowings, trade and other payables, less cash and cash equivalents.

	(Rupees in lakhs)	
	As at 31 March 2023	As at 31 March 2022
Net Debt	11,503	2,583
Total Capital	-	-
<b>Capital and net debt</b>	<b>11,503</b>	<b>2,583</b>
<b>Capital Gearing Ratio</b>	<b>100.00%</b>	<b>100.00%</b>

**22 Commitment and contingencies**

The Structured entity does not have any contingent liability and commitments as at 31 March 2023.

**23 Segment Information**

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

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

**a) Particulars of Holding Company**

Name of the entities	Relationship
Welspun Enterprises Limited	Member of Structured Entity
Kaveri Infraprojects Private Limited	Member of Structured Entity

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

	(Rupees in lakhs)	
Nature of transactions	Year ended 31 March 2023	Year ended 31 March 2022
<b>Subcontracting &amp; Project Monitoring and Maintenance</b>		
Welspun Enterprises Limited	54,940	9,912
<b>Borrowing taken</b>		
Welspun Enterprises Limited	970	327
<b>Borrowing repaid / adjusted</b>		
Welspun Enterprises Limited	1,156	-
<b>Performance Bank Guarantee given by</b>		
Welspun Enterprises Limited	5,542	3,036
<b>Performance Bank Guarantee discharged by</b>		
Welspun Enterprises Limited	1,873	-
<b>Advance Bank Guarantee given by</b>		
Welspun Enterprises Limited	15,116	12,651



Notes forming part of the financial statements

Closing balances as at

Nature of transactions	As at 31 March 2023	As at 31 March 2022
<b>Short term borrowings</b>		
Welspun Enterprises Limited	141	327
<b>Trade Payable</b>		
Welspun Enterprises Limited	8,744	1,615
<b>Bank guarantee issued and outstanding for advance received by</b>		
Welspun Enterprises Limited	25,894	12,651
<b>Bank guarantee issued and outstanding towards performance security by</b>		
Welspun Enterprises Limited	8,578	3,036

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.

- 25 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:

	Short term borrowings
As at 31 March 2022	327
Cash inflows	970
Cash outflows	(1,156)
Other non cash changes	-
As at 31 March 2023	141

	Short term borrowings
As at 31 March 2021	-
Cash inflows	327
Cash outflows	-
Other non cash changes	-
As at 31 March 2022	327

- 26 On the basis of the information available with the Company and intimations received from suppliers (Trade Payables and Other Payables), there are no dues payable as on 31 March 2023 (31 March 2022 :Rs Nil) to Micro, Small and Medium Enterprises as per the disclosure requirement under the Micro, Small and Medium Enterprises Development Act, 2006.
- 27 **Other Statutory Information**
- (i) The Structured entity do not have any Benami property, where any proceeding has been initiated or pending against the Structured entity for holding any Benami property.
- (ii) The Structured entity do not have any transactions with companies struck off during the year under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956
- (iii) The Structured entity has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (iv) There are no transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961
- (v) The Structured entity has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender



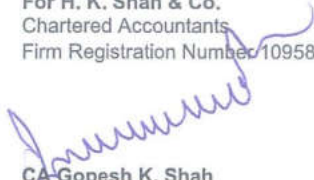
Welspun-Kaveri Infraprojects JV  
CIN: U41000GJ2021PTC141882

Notes forming part of the financial statements

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

As per our report of even date

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




CA Gopesh K. Shah  
Partner  
Membership Number 106204

Place: Ahmedabad  
Date: 12 May 2023

For and on behalf of the Welspun-Kaveri Infraprojects JV



Yogen Babulal Lal  
Authorised Signatory



Jayanti Venkatraman  
Authorised Signatory

Place: Mumbai  
Date: 12 May 2023

