WABAG

sustainable solutions. for a better life.

25 YEARS OF EXCELLENCE

Passioneering to Global Recognition

SCALABLE & SUSTAINABLE

ANNUAL REPORT

2021-22

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For more investor-related information, please visit :
https://www.WABAG.com/investors-overview/

Disclaimer:
This document contains statements about expected future events and financials of VA TECH WABAG, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

THE BOARD

Rajiv Mittal
Chairman cum Managing Director & Group CEO

Milin Mehta
Independent Director

Vijaya Sampath
Independent Director

Ranjit Singh
Independent Director

Amit Goela
Non-Independent Director

S. Varadarajan
Whole Time Director & Chief Growth Officer

Corporate Information

Skandaprasad Seetharaman
Chief Financial Officer

R. Swaminathan
Company Secretary

Registered & Corporate Office

'WABAG HOUSE', No.17, 200 Feet Thoraipakkam - Pallavaram
Main Road, Sunnambu Kolathur,
Chennai - 600 117,
Tamil Nadu, India
P: +91 - 44 - 6123 2323

Statutory Auditors

Sharp & Tannan
Chartered Accountants
3rd Floor, Parsn Manere, A-Wing,
602, Anna Salai, Chennai - 600 006
P: +91 - 44 - 2827 4368

Internal Auditors

PKF Sridhar & Santhanam LLP
Chartered Accountants
KRD Gee Gee Crystal, No. 91-92,
7th Floor, Dr. Radhakrishnan Salai,
Mylapore, Chennai - 600 004
P: +91 - 44 - 2811 2985

Cost Auditor

K. Suryanarayanan
Practicing Cost Accountant
Membership Number: 24946
Flat A, Brindhavan Apartments,
No. 1, Poes Road,
4th Street, Teynampet,
Chennai - 600 018
P: +91 - 44 - 2432 8836

Secretarial Auditor

M. Damodaran
Practicing Company Secretary
Membership No. 5837
M. Damodaran & Associates LLP
'MDA Tower',
New No. 6, Old No.12,
Appavoo Gramani
1st Street, Mandaveli,
Chennai - 600 028
P: +91 - 44 - 4360 1111

Registrar and Transfer Agent

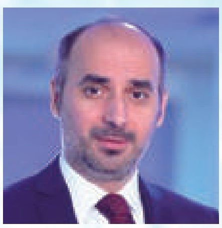
KFIN TECHNOLOGIES LTD
(Formerly known as Kfin Technologies Private Limited)
Unit: VA TECH WABAG LIMITED
'Selenium Tower B',
Plot Nos. 31 & 32,
Financial District,
Nanakramguda, Gachibowli,
Serilingampally Mandal,
Hyderabad - 500 032
P: +91 - 40 - 6716 2222

Bankers

- State Bank of India
- Bank of Baroda
- Export Import Bank of India
- ICICI Bank Limited
- Punjab National Bank
- Union Bank of India
- IndusInd Bank Limited
- IDBI Bank Limited
- Karnataka Bank Limited
- Canara Bank
- The Hong Kong and Shanghai Banking Corporation Limited

Pankaj Sachdeva
CEO, India Cluster

Deep Raj Saxena
CEO, MEA Cluster



Mahmut Gedek
CEO, Europe Cluster

V. Arulmozhi
CFO, India Cluster

WABAG

sustainable solutions. for a better life.

SCALABLE & SUSTAINABLE

The resilience we showcased in the past few years instilled a sense of confidence and hope for a better tomorrow. It helped us master the act of balancing our commitments with our actions, ensuring business stability and growth. Even in the face of adversity, we held on tight to our fundamental of nurturing sustainable living. We ensured agility in our actions, reliability in our offerings, scalability in our business and sustainability across our operations.

We are investing in long-term development to bring bright, predictable and sustainable future backed by our rich heritage.

Our goal is to ensure that relationship with our clients leaves a positive and lasting impact on communities and our planet.

Our approach to sustainability includes engaging team members across the country to bring in new ways to achieve the highest environmental, social and governance standards among others. This approach helps achieve the corporate goals and objectives and ensures scalability of our business, thereby enhancing Stakeholders' value.

About the Report

This Report has been compiled following the principles of Integrated Report (IR), as laid out by the International Integrated Reporting Council (IIRC), focusing the needs of various stakeholders. The Report, as a principal communication document, explains strategies, business model and major impact across economic, social and environmental areas. Additionally, it also offers an insight into our operational and financial performance for understanding how we manage business. In line with our business strategy, it defines the material issues which potentially influence our sustainable value-creating ability. It covers aspects of social and environmental sustainability which have remained part of our strategy and business practices for years now. There has been a consistent and continuous progress on the monitoring and reporting of data which is relevant and material to these matters.

Scope and Boundary

This Report uses a holistic approach and furnishes information on the operational and business developments for the year ended March 31, 2022. Information on all business segments, across geographies, is captured and supported with different activities that they undertake for creating values in short, medium and long term. And subsidiaries' performance is included in the consolidated financial information.

Frameworks

Committed to embracing the best practices in reporting, to ensure transparency and improve stakeholder engagement, the content and structure of our Annual Report is guided by the framework endorsed by the International Integrated Reporting Council (IIRC). The Company fully complies with the NSE and BSE listings and SEBI guidelines. The statutory reports, including the Board's Report, Management, Discussion and Analysis (MD&A) Report, Report on Corporate Governance and the Business Responsibility Report (BRR), are in line with the Companies Act, 2013, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the prescribed Secretarial Standards.

Assurance

The Board acknowledges its responsibility to ensure the integrity of this Report. The Directors confirm having reviewed this Report's content and they believe this document addresses the material issues and is a fair presentation of the Company's integrated performance.

Message from CMD

It's a great feeling to take care of water around the globe. It becomes even more important when you realise that water is depleting as a resource. The aim is to provide safe and clean drinking water while upholding environmental balance and ensuring the water security across the globe.

Dear Stakeholders,

At WABAG, we are committed to provide safe and clean water by transforming & manufacturing water by our innovative and advanced technologies meeting the requirements of our customers besides enriching the lives of our communities. Also we are treating the wastewater to avoid pollution and manufacture water to ensure water security for industries and community.

I am very proud of our team's accomplishments as we have navigated an unprecedented two-year period of managing the impacts of the Covid-19 pandemic. I would like to express my heartfelt gratitude for our frontline workers, whose untiring efforts at ensuring the safety and well-being of our employees and communities have allowed us to hold our heads high, and continue our operations without disruptions. Despite the challenges, we have been able to create sustained value for our stakeholders.

Success Story

In the last 25 years in India, there have been major milestones in our journey such as management buyout, erstwhile parent acquisition, IPO and realignment. Our human capital has always been the strength and spine of our Company. We have transformed WABAG from a regional company into a globally respected corporation.

Standing Tall

We have had many hiccups in the past years interrupting our growth journey. All these challenges have not only affected the economy worldwide but also have impacted industries.

WABAG with its global presence successfully sailed through this very dynamic period, prioritising the health and safety of our employees while significantly strengthening our balance sheet and improving our brand reputation with our focus on business growth. We have endured and stood tall in the face of challenges in the past and continue to take care of the key resource, 'Water'.

Our business strategy has proven resilient, despite inflationary pressures, supply chain constraints, and restricted availability of skilled workers.

Financial Overview

At WABAG, we have continued our 'Profitable Growth' journey...

- Consolidated Total Income of INR 30,117 million
- Consolidated PAT of INR 1,319 million; YoY up by 20%
- Order book of over INR 100,000 million including Framework contracts; representing robust revenue visibility

Cash and Working Capital Focus…

- Another consecutive year of positive operational cash flow generation of INR 112 million on consolidated basis; Group continues its turnaround from Net Debt to Net Cash of INR 96 million
- Net Working Capital improved to 87 days
- Efficient execution driving consecutive years of net cash positive status and improved net working capital

ESG Focus

In this challenging environment, our focus on operational excellence, continues to help us navigate the crisis. In a post-pandemic world, these lessons will enable us to maintain high levels of resilience.

We also made further progress in terms of our Environmental, Social and Governance (ESG) activities, which are an essential part of our strategy and an important reputation driver. We prioritise social well-being and giving back to society.

Future Ready

Going forward, given our past achievements and our foundation of owning and integrating robust technology across the business, we are future ready. Our business, what we call is 'Water Treatment' or 'Water Manufacturing', wherein we convert and desalinate non-usable sea water into potable form, serving millions of lives on earth.

As far as Desalination market is concerned, India is seeing traction and there are plenty of business opportunities in industrial segment for captive use. There are five states which have a firm policy of recycling and re-use of water.

After the success of Namami Gange, the Government of India has identified more than 30 rivers for rejuvenation. Our presence in river rejuvenation and Governments' focus with INR 19,000 crore being allocated to 13 rivers in the country gives us tremendous scope for bright business prospects.

In Middle East, governments have again increased their focus on infrastructure spending which will bring a lot of new projects, including desalination, re-cycle and re-use proposals which will be another growth area.

- Oil & Gas has seen revival of expansion especially petrochemicals.
- Post COVID-19, industries are back to normal and resumption of CAPEX is being witnessed.
- Northern Africa is going for desalination for water security, COVID-19 has brought focus of Government in Sub-sahara region and we see, resumption of fiscals G2G.
- Upgradation to new norms and technologies like Switzerland and Germany going for removal of micropollutants.
- Outsourcing witnessed traction both in industries and urban local bodies.

Expression of Gratitude

I take this opportunity to express my sincere appreciation of services of Mr. Malay Mukherjee, erstwhile Chairman who passed away on January 29, 2022 at New Delhi due to illness. He was a non-executive independent director since 2015 at WABAG and heading the Board as a non-executive independent Chairman. As Chairman and member of Board/ various other Board Committees of the Company, he was instrumental in bringing in various policy changes, process and business decisions, which benefited the Company at large. His dedication, support, guidance remain an inspiration to all of us at WABAG.

I also take this opportunity to record my sincere appreciation of services of Mr. Arnold Gmuender, who held various senior positions in WABAG Group for over 2 decades, passed away on February 3, 2022 at Switzerland due to illness. He made significant contribution not only to WABAG Switzerland but to the whole WABAG Group in implementation of various proprietary technology of the Group. Mr. Gmuender was a rare combination of hard core technologist and an excellent client connection in Europe region. He was leading WABAG Switzerland entity as Managing Director initially and later took up additional responsibility of development of South-East Asian region. He was on the Board of different group entities in WABAG and prior to his retirement from WABAG, was the Chairperson in the three member's Committee that was managing WABAG Europe Cluster.

Closing Note

I would like to express my gratitude to all my Board members and the whole team of WABAG who have been standing shoulder to shoulder in all the situations. I am also grateful for the support and cooperation received from all our stakeholders.

Sincerely,

Rajiv Mittal

Marching Towards Centenary

An Industry Leader & Globally Recognised Provider of Sustainable Total Water Management, Touching Millions of Lives Since 1924

During a span of 98 years, WABAG has established a leading presence with the business expertise in water industry, backed by extensive technology. A pure-play water technology multinational, WABAG offers solutions emphasising on building a sustainable tomorrow. WABAG offers solutions on conservation, optimisation, recycling and re-use of resources, directed at addressing water challenges across the world.

Altena WWTP, Germany

Key Differentiators

1. Innovative Technology
2. Research & Development
3. Recycling and Re-use
4. Resource Recovery Based Circular Economy Model
5. Seasoned Water Professionals

Group Highlights

3
R&D Centres

4
Continents

25+
Countries

98
Years of Experience

125+
IP Rights

sustainable solutions. for a better life.

Our Customised Water Solutions

- Waste Water Treatment
- Drinking Water Treatment
- Water Recycle & Re-use
- Industrial Water Treatment
- Industrial Effluent Treatment
- Desalination
- Sludge Treatment

Value Chain

- Engineering
- Design & Technology
- Procurement
- Marketing
- Construction & Commissioning
- Research & Development
- Operation & Maintenance

Champ Boigin WTP, Switzerland

Our Purpose

WABAG, as a team, is committed to provide access to clean and safe water to an increasing population besides securing environmentally compatible disposal of municipal and industrial wastewater.

We are engaged in contributing to environment protection and providing enhanced quality of life to people in a sustainable way. This drives us to develop new technologies and optimise our existing processes with the focus on emerging markets.

Vision

WABAG is a professionally managed Indian multinational having market leadership in emerging markets and significant position in the global market, both in the EPC and service sector of the WATER business.

WABAG encourages and practises a culture of caring, trust and continuous learning while meeting expectations of employees, customers, stakeholders and society.

WABAGites shall be an innovative, entrepreneurial and empowered team committed to total customer satisfaction and value creation.

Mission

We, at WABAG, exist to provide total water solutions to our valued customers.

Our strong, capable, agile and customer-focused team shall ensure that every customer solution is creative, priced competitively and provided in the agreed time frame with essence of quality at optimum cost.

We, at WABAG, always have concern for the welfare of our employees and shall do everything it takes to attract and retain the best of the talent.

1,450+
Plants Executed in the Last 25 Years

450+
Sewage Treatment Plants*

320+
Water Treatment Plants*

160+
Effluent Treatment Plants*

60+
Desalination Plants*

3
HAM Projects

**Since 1995*

sustainable solutions. for a better life.

Sustaining Progress Globally

Our global presence strengthens our industry presence and helps in widening our client base. It complements our efforts aligned to our vision and aimed at fulfilment of organisational objectives. Backed by our reach and a sustainable business model, we strive to penetrate deeper into each market and serve our clients' requirements by delivering on their expectations.

Our global footprint is spread across major regions of India, South-East Asia, Middle East, Africa, Europe and Latin America, with over 2,000 water professionals and offices in >25 countries.

01 India (Global Headquarters)
02 Nepal
03 Sri Lanka
04 Thailand
05 Malaysia
06 Singapore
07 Philippines
08 Vietnam
09 Bahrain
10 Saudi Arabia
11 Qatar
12 Oman
13 UAE
14 Tunisia
15 Turkey
16 Egypt
17 Libya
18 Nigeria
19 Tanzania
20 Senegal
21 Namibia
22 Czech Republic
23 Austria
24 Switzerland
25 Romania
26 Germany
27 Russia

Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its directors, officers or employees, cannot be held responsible for any misuse or misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

WABAG

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Our Journey of Scalability & Sustainability

1996

The Renaissance of WABAG Success Story in India

1997

Maiden Breakthrough – 1st Order Win for ETP from RIL Jamnagar

2000

- 1st Overseas Order – Independent Power Utility Project for KHTP, Malaysia
- 1st Municipal Order 34 MLD STP at Chennai for CMWSSB

2005

Management Buyout – A Historic Moment

2007

Reunification of WABAG Group – the Game Changer

2009

Crossed INR 1,000 crore Revenue

2010

Dream Listing for Pure-play Water Technology Company in the Stock Exchanges

2013

Crossed INR 2,000 crore Revenue

2014

Established WABAG HOUSE – the Global Headquarters

2015

Secured the Largest Ever Order – Integrated ETP for Petronas RAPID Complex

2016

Crossed INR 3,000 crore Revenue

2018

Associated with PM's Vision of Clean Ganga – Executed 1st STP Under Namami Gange

2019

- Signed One City, One Operator Contract – a Paradigm Shift for Indian Water Sector
- Entered Hybrid Annuity Model (HAM) Projects

2021

Expanded Global Footprint by Foraying into Russia with High Technology Order

2022

Completed 25 Years of Business Operations in India

25 YEARS OF EXCELLENCE

Passioneering to Global Recognition

Scalable & Sustainable Business Model

Key Trends

- Impact on social infrastructure due to climate change
- Changes in work styles and lifestyles
- Fresh water scarcity and uneven water distribution
- Changing energy policies
- Industrialisation and urbanisation of developing countries
- Advancements in digital technology and innovation acceleration
- Heightened safety awareness

WABAG's Value System

- Conduct fair business activities
- Respect human rights
- Solve issues related to water resources
- Realise sustainable energy utilisation
- Reduce waste

Our Strengths

- Leading pure-play water technology player
- Transformative leaders in water sector
- Strong research and development, and execution excellence
- Skilled and experienced human capital

Business Model

Life Cycle Partner

Focused Business > Strategy > Adaptability > Capacity to Deliver > Economic Feasibility

Our Beliefs

Eliminate Waste > Recycle > Save Time > Reduce > Recover Energy

Financial (for FY 2021-22)

- Income: **INR 3,011 crore**
- EBITDA: **INR 237 crore**
- PAT: **INR 132 crore**
- Core ROCE: **21.5%**

Environmental & Social*

- Wastewater treated: **25,000+ MLD**
- Effluent treated: **2,000+ MLD**
- Reduction in freshwater intake through recycling and reusing: **2,500+ MLD**
- Biogas generated: **36+ MW**

Talented Professionals

- **2,000+**

Our Customers

- Municipal
- Industrial

*Since 1995

Building Intellectual Capital

Our strong R&D, integrated with our technological capabilities and innovation skills forms the foundation of our operations. Thus, we continue to invest in our research and spend significant time and effort in developing better technologies for consistent and better life. Our team works in close collaboration with our partners to offer customised solutions. In addition, our R&D is committed towards the development of alternative and more sustainable ways to decrease waste footprints.

Intellectual Capital

Strong Brand Reputation Backed by Rich Experience

125+ IP Rights

Extensive R&D and Technological Superiority

Application of Digitisation and Artificial Intelligence

Intellectual capital outcome

- Advanced technology solutions
- Bring more predictability & sustainability
- Improve enterprise value
- Cost competitive
- Better life-cycle cost

Inventing innovative solutions

WABAG is the leading pure-play global water technology-based company, backed by a strong R&D team aiming to capitalise upon the growth prospects pertaining to the industry. With 125+ IP Rights and a multi team operating from different geographies, together help us to infuse innovative solutions to develop sustainable water infrastructure.

Municipal Wastewater Treatment

- MICROPUR®
- MICROPUR-CAS®
- HYBRID™
- CYCLOPUR®
- MARAPUR®
- MICROPUR-MBR®
- FLUOPUR®
- BIOPUR®
- DAMOPUR®

Drinking Water Treatment

- OPUR®
- OPUR-SK™
- WABAG - Advanced Filtration System
- CERAMOPUR®
- CERAMOZONE®
- CARBOPUR®
- PACOPUR®
- BIODEN®
- ENR®

Sludge Treatment

- ENOPUR-AD™
- BIOZONE-AD®
- ENOPUR-INC™
- ENOPUR-P™

Industrial Water Treatment

- ADOX®
- BIOZONE®
- Bioactive Filter
- iEDR™

Industrial Wastewater Treatment

- FLUOPUR®
- BIOPUR®
- MEMTRICK®
- EKJ™
- an-OPUR™

Enhancing Human Capital

At WABAG, we strive to hire and develop talented people in an inclusive and unbiased manner, by ensuring backgrounds and fairness in our sourcing, interviewing and hiring processes. We strongly believe that knowledge is a true measure of one's strength. We value and foster skill, creativity, experience, mental health, and personal resilience among our employees.

WABAG offers attractive compensation and benefits alongside rewards to improve their standard of living. To achieve this, we provide them with appropriate skill development and training opportunities for their professional and personal growth, and ensure safe and healthy working conditions to prevent and mitigate occupational hazards. Likewise, we also nurture free flow of communication and efficacy for allowing our employees to address concerns that might be hindering their work.

Care towards employees' well-being

WABAG is built strong with the business' policy and diverse workforce across the business lines. To support our women WABAGites, we have built special care initiatives that includes pre and post motherhood and much more. Further to support the well-being of all WABAGites, we have brought in 'work from home' system as well.

We encourage new talent through various programmes

1. Extra Milers Programme (EMP)
2. Young Entrepreneur Programme (YEP)
3. Leadership Excellence Programme (LEX)
4. Emerging Leader Programme (ELP)
5. Hi-POT Programme

Talent Development

WABAG empower and encourage young talent by giving them opportunities to develop leadership. This would facilitate higher productivity and organisation growth, by driving a collective sense of goal achievement and also leading to personal growth. Our leadership initiatives focus on identifying and developing potential leaders with an aim to secure our Company's forward momentum in pursuit of progress. We have also developed a High Potential (Hi-Pots) programme that undergoes a 360° feedback to create a personal development plan. Our Extra Milers Programme (EMP) identifies potential talent among trainees who come through Graduate/Executive training programme.

39,000+

Hours of training provided*

348

No. of training provided*

** During FY 2021-22*

Strengthening Social and Relationship Capital

WABAG will continue to forge partnerships with various stakeholders to find opportunities for cooperation and collaborations that capitalise on the unique strengths of each partner. Therefore, resulting in synergy and mutual benefits. Through the investments in local economies, WABAG continues to perform the role of enhancing and sustaining economic progress in areas of the business' operations, eradicating hunger, poverty and malnutrition, promoting preventive health care & sanitation, providing skill development and training and making available safe drinking water.

Restoration of traditional irrigation system, Tamil Nadu, India

Our Focus Areas

Augmentation of water resources, Tamil Nadu, India

Promoting education, including special education and employment enhancing vocation skills especially among children, women and livelihood enhancement projects

Ensuring environmental sustainability, ecological balance, protection of flora and fauna, agro-forestry, conservation of natural resources and contributing towards maintenance of the quality of soil, air and water

1,600+
School Students Awareness on Water Conservation created

400
Marginal Farmers Benefited from Restoration of Irrigation System and Water Augmentation

2,500
School Students Drink Safe and Clean Water

Engaging Stakeholders for Business Scalability

WABAG's success is anchored on strong partnerships and collaborations with our key business stakeholders.

Stakeholder	Mode of Engagement	Value Delivered
Customers	Meetings Tenders Advertisements Knowledge sharing sessions	Execution of projects Structured approach, alongside strong relations with major partners Presence across value chain Advanced technologies with our expertise over 9 decades
Employees	Group meetings One-on-one interactions Digital platform Experience sharing Approachability	Updated WABAG's values, core and leadership competencies Monitoring the progress of individual development plans identified by successors Rewarding talent based on industrial standards
Investors	Annual Report General Meetings Investor calls Website Press releases/Stock Exchange Roadshows Notices/other communications	Timely, responsive, transparent and truthful communication Selection of projects backed by multi-lateral fundings
Suppliers	Forums Focus group discussions Vendor 360° feedback Emails/other digital publications Online publications	Discussion and rolling out timeliness during forums Feedback and counseling sessions Non-funding arrangements with banks/FIs for payments
Communities	Community meetings Public consultations Social media Trade shows/exhibitions Surveys	CSR programmes Using varied technologies to recycle and re-use water Leveraging latest technology for quality assurance
Governments	Regular meetings Reports submissions Briefings Public consultations Seminars	Compliance to new reporting and permitting requirements Relationship management Assisting clients in adherence to environmental/ other regulatory aspects as applicable
Banks/ Financial Institutions	Meetings Site reviews/Business reviews Funded/Non Funded financial support	Adherence to banking regulations/lending agreements Timely submission of reports/information Competitive and timely support

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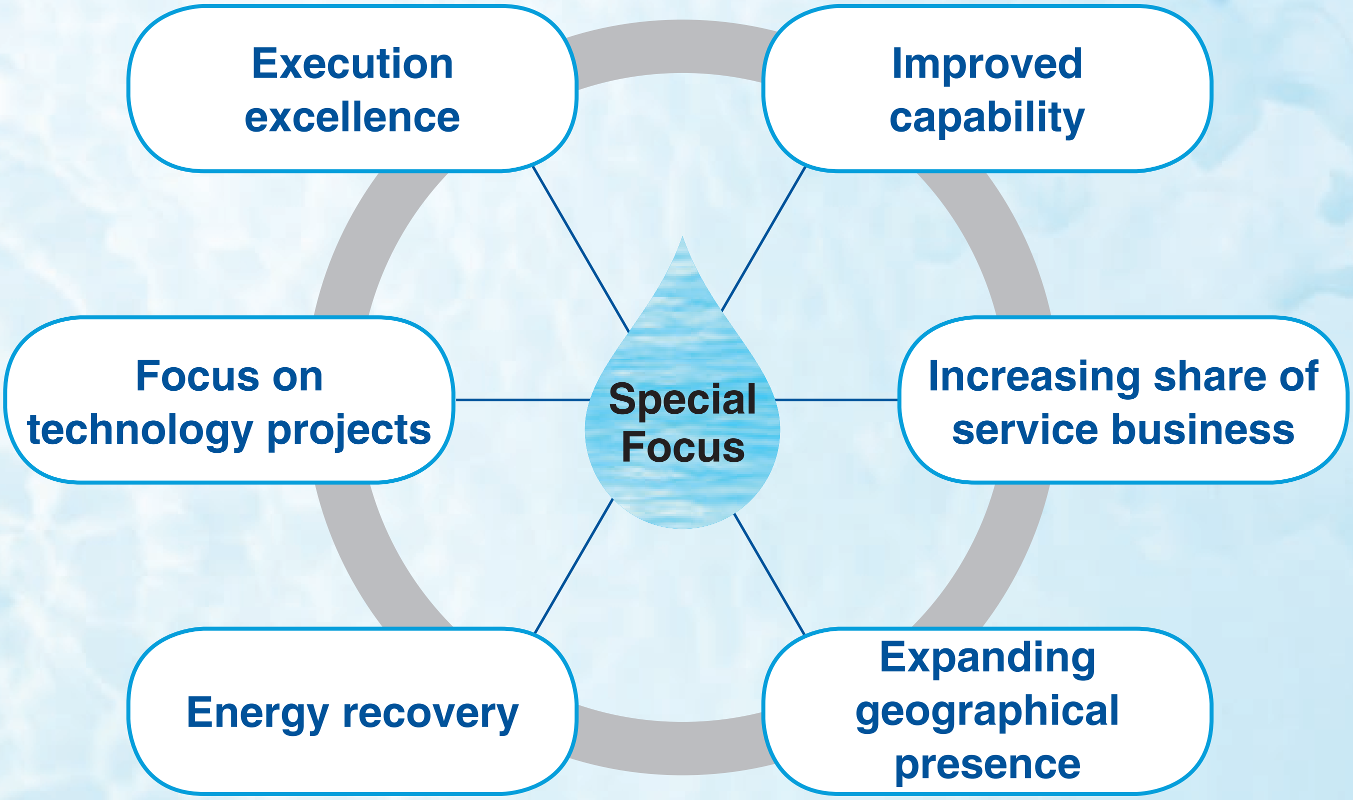
Improving Service Capital

WABAG being a water technology company, plays a critical role in ensuring that the ecosystem we thrive-in is protected and restored. Our technologies are developed through rigorous research and refined execution strategies to offer advanced technology across the value chain.

MRPL SWRO Plant, Mangalore, India



Cuttack 02 WWTP, Inidia

WABAG has all the technologies required in the water space for

One City One Operator, Agra & Ghaziabad

HMEL RWTP, Bathinda

Services

Engineering Procurement and Construction (EPC)

WABAG undertakes EPC projects providing services ranging from conceptualising to commissioning.
For every EPC project under execution, there is a constant need of assessment of certain factors such as multifaceted technologies and different location, among others.

Our EPC model projects include:

- Suplacu WTP, Romania
- Polgahawela WTP, Sri Lanka
- Mangalore Refinery and Petrochemicals Ltd. (MRPL), Desalination Plant, India
- Zurich WWTP, Switzerland
- Marafiq STP, KSA
- La Mesa WTP, Philippines
- Zarat Desalination Plant, Tunisia
- Jungbunzlauer ETP, Austria

Operation and Maintenance (O&M)

WABAG conscientiously looks into the operation and maintenance of the business' existing water and wastewater plants. Backed by our years-rich proficiency and experience, we streamline operational procedures for our clients. This immensely contributes in helping our clients enhance their efficiencies.

Our O&M projects include:

- One City One Operator STP, India
- Nemmeli SWRO Plant, India
- Changi Water Reclamation Plant, Singapore
- AMAS, Bahrain
- MAJIS, Oman

WTP: Water Treatment Plant I STP: Sewage Treatment Plant
ETP: Effluent Treatment Plant I WRP: Water Reclamation Plant
SWRO: Sea Water Reverse Osmosis
TTRO: Tertiary Treatment & Reverse Osmosis

Cuttack 2 WTP, Odisha

Design-Built-Operate (DBO)

WABAG carries out long-term design-build-operate contracts. These projects enhance performance while also helping us optimise the cost of project life cycle. WABAG, backed by in-house engineering team, quality procurement, quality construction support and dedicated operations and maintenance, is a preferred partner for DBO contracts.

Our major DBO projects include:

- Bhagalpur WTP, India
- Pahari STP, India
- Koyambedu TTRO, India
- Brasov Purolite WWTP, Romania

Hybrid Annuity Model (HAM)

WABAG, under this model, provides comprehensive solutions for financing, construction and operation of water and wastewater projects. Our asset-light model helps us gain competitive financing from the available resources. This, in turn, helps us achieve timely project execution while also enhancing our efficiency.

Our HAM projects include:

- KMDA HAM Project, India
- BUIDCo HAM Project, India
- Ghaziabad HAM Project, India

Building Natural Capital

WABAG was founded on a commitment to making water accessible to all through technology-based solutions. Our strategic focus lies on customising solutions to achieve more sustainable use of resources.

Innovation is turning out to be of greater significance in the water space, for implementing measures aimed at reducing environmental problem associated with water extraction, treatment, and consumption. With this realisation, we combine innovative ideas with our technological efficiencies, to achieve improved operational efficiency across the value chain. This enables optimal utilisation of finite resources while reducing cost and energy that goes into treating water, thereby helping reduce the carbon footprint and impact on the environment.

Focus Areas

Green Initiatives

Our strong commitment towards sustainability led to CII-IGBC recognising WABAG House as one of The Top 100 Corporate Green Buildings. WABAG House is a 'Platinum-rated Green building', under O&M Existing Building category and ranks 56th in the list of the certified Green buildings in India. With this, CII also recognised WABAG House as one among The Top 13 Energy Efficient Units in India.


Enduring Value
WOW
WELLBEING OUT OF WASTE
An ITC Initiative

Certificate of Appreciation

ITC Limited - Paperboards & Specialty Papers Division

Sincerely Thank

VA TECH WABAG LIMITED - KOVILAMBAKKAM

For partnering with WOW-Wellbeing Out of Waste, a Nationwide Recycling Initiative of ITC and Contributing 2476 Kgs of dry recyclable waste for recycling during FY 2021 - 2022

We look forward to your continued support in making India SWACHH & GREEN

RECYCLE MORE & PROTECT ENVIRONMENT

Sib Sankar Bandyopadhyay

We aim to

WABAG
sustainable solutions. for a better life.

Securing Financial Capital

WABAG is a technology-driven company marching toward a sustainable future. Our Company believes in the approach of 'WE', to nurture unity and team spirit while ensuring higher productivity and accountability. We are committed to safeguarding our environment by giving back to the surroundings we thrive in, mitigating any impact rendered by us on the environment. To achieve this, we integrate innovation and technology, and are adopting green finance that is helping us to plan, explore & build excellence in our operating environment.

INR 10,000+ crore

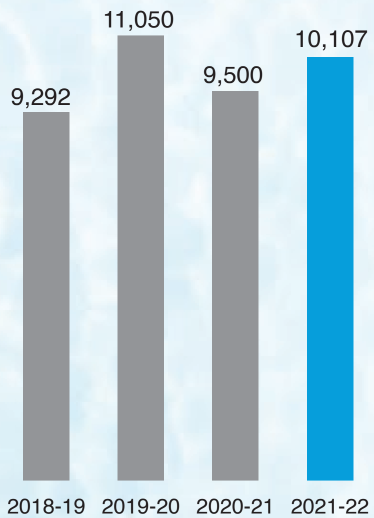
Strong Orderbook

Moving a step ahead

WABAG's future roadmap is as strong as our strength to endure the challenges coming on our way to success. Our strong orderbook of INR 10,000+ crore testifies for our profits growing at a faster pace than our revenues.

Order Book*

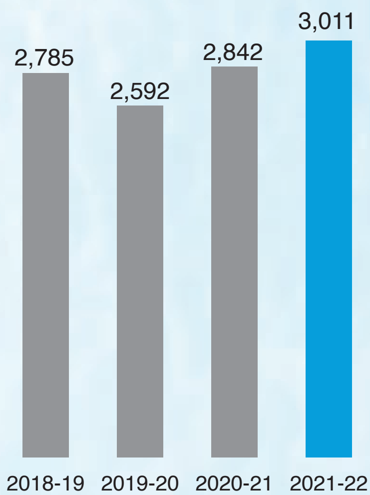
(INR crore)



** Including framework contracts*

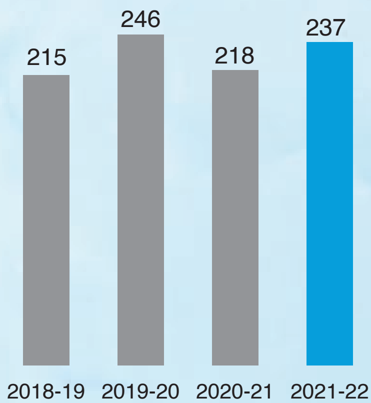
Total Income

(INR crore)



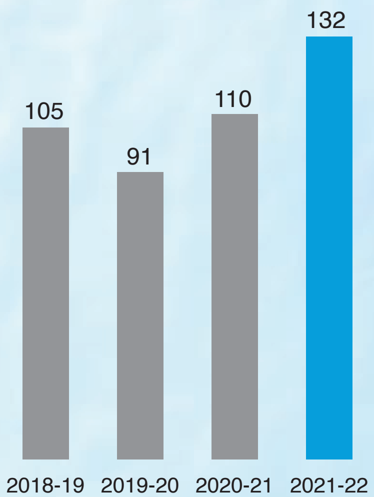
EBITDA

(INR crore)



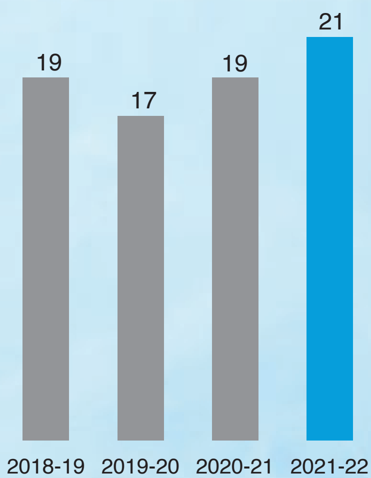
PAT

(INR crore)



Earnings Per Share

(INR)



Global Laurels

Global Asian of the Year

Mr Rajiv Mittal (Chairman & MD - VA Tech WABAG) has been recognized as 'Global Asian of the Year 2021-22' by AsiaOne Magazine for his 3 decades of dedication to the water industry

Desalination Project of the Year

Received for our 30 MLD SWRO plant for Mangalore Refinery and Petrochemicals Limited at Mangalore, Karnataka at the Water Digest Water Awards

Best Water Management – Private Sector

Received for our One City One Operator Initiative at Agra and Ghaziabad, Uttar Pradesh at the Water Digest Water Awards

CII – EHS Excellence Awards

Bagged 4 prestigious awards at the CII - EHS Excellence Award 2021-22, driven by our commitment towards Health, Safety and Environment

Corona Yodha Samman

Our One City One Operator Team – Agra has been honoured with 'Corona Yodha Samman' by the Dainik Jagran Group for braving the Global Pandemic and going the extra miles to serve the people

BOARD'S REPORT

Dear Members,

The Board of Directors of your Company is pleased to present its report on the performance of the Company together with the Audited Standalone and Consolidated Financial Statements for the Financial Year ended March 31, 2022.

Financial/Operational Highlights

The financial highlights for the Financial Year ended March 31, 2022 are summarised below:

(INR Crores)

Particulars	FY 2021 – 22	
	Consolidated	Standalone
Total Income (including Revenue from Operations and other Income)	3,011	2,170
Profit before interest, tax & depreciation (EBITDA) excluding exceptional items	237	174
Profit before tax	168	122
Provision for tax	36	30
Profit after tax attributable to owners of the parent	132	92

Business Environment

Globally the year FY 2021-22 commenced on an optimistic note with more relaxations and mass vaccination drives across the world. However, there were hurdles in the form of recurrent phases of the pandemic waves throughout the year. As things started settling in the new normal environment the nations were thronged with new set of challenges like supply chain disruptions, ongoing geo-political situations, soaring commodity prices especially crude oil prices resulting in elevated levels of inflation globally.

On the domestic front India continues to be one of the fastest growing economies registering a GDP of 8.7% in FY 2021-22 against a contraction of 6.6% in FY 2020-21. Pent-up demand across sectors, Government stimulus and investments across sectors, focus on infrastructure development, initiative towards building the Atmanirbar Bharat are acting as catalyst for growth and increasing the resilience towards uncertainties.

Company's Performance

- Your Company has a healthy order book of over INR 10,000 Crores as on March 31, 2022 (including framework contracts) supported by order intake of INR 3,647 Crores.
- Total Consolidated Income for the FY 2021-22 was INR 3,011 Crores as against INR 2,842 Crores in the previous year and the total Standalone Income for the FY 2021-22 was INR 2,170 Crores as against INR 1,852 Crores in the previous year.
- Consolidated and Standalone Profit After Tax attributable to owners of the parent for the FY 2021-22 was INR 132 Crores and INR 92 Crores respectively as against INR 110 Crores and INR 73 Crores respectively in the previous year.
- Consolidated and Standalone EPS of the Company for the FY 2021-22 was INR 21.21 as against INR 18.83 in the previous year and INR 14.82 as against INR 12.49 in the previous year respectively.
- In terms of Section 134(3)(l) of the Companies Act, 2013, except as disclosed elsewhere in this Report, no material changes or commitments affecting the financial position of the Company have occurred between the end of the Financial Year and the date of this report.
- The revenue and profit for the year has improved compared to previous year's performance as our new projects secured in FY 2020 - 21 and FY 2021 - 22 are in execution phase. The revenue from these projects and new orders secured in FY 2021 - 22 are expected to further enhance the momentum during FY 2022 - 23.

Dividend

Taking into account the investment requirements for growth capital and Hybrid Annuity Model (HAM) projects like Namami Gange Programme, etc. which will enhance shareholder value on long term basis, the Directors have decided to conserve funds and hence not recommended any dividend for the FY 2021-22.

Transfer to Reserves

The Board of Directors of your Company has decided to retain the entire amount of profit in the profit and loss account. Accordingly, the Company has not transferred any amount to 'Reserves' for the Financial Year ended March 31, 2022.

Share Capital

The issued, subscribed and paid up share capital of the Company stood at INR 12,43,80,856/- (Indian Rupees Twelve Crores Forty Three Lakhs Eighty Thousand Eight Hundred and Fifty Six only) as on March 31, 2022 consisting of 62190428 equity shares of face value of INR 2/- each.

Unpaid / Unclaimed Dividends & Shares - Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Sections 124, 125 and other applicable provisions of the Companies Act, 2013 ("**the Act**") read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("**IEPF Rules**"), the dividend which remains unpaid/ unclaimed for a period of 7 (seven) years from the date of transfer to the unpaid dividend account along with the shares on which dividend has not been encashed by the Members for 7 (seven) consecutive years has to be transferred to Investor Education and Protection Fund ("**IEPF**") within the prescribed time.

During the year under review, unclaimed dividend for the FY 2013-14 amounting to INR 56,872/- pertaining to 343 Members and 368 shares pertaining to 13 Members who had not claimed their dividends for 7 (seven) consecutive years has been transferred to IEPF Authority in September 2021.

The Company sends communication and reminder letters, from time to time, to the respective Members whose dividends are unpaid/unclaimed and / or due for transfer to IEPF and provides facilitation / support to Members as and when required, to enable them to claim their dividend entitlements before it is transferred to IEPF Authority in accordance with IEPF Rules.

Unclaimed dividend for the FY 2014-15 and shares in respect of which dividends has remained unclaimed for the last 7 (seven) consecutive years as on due date shall become due for transfer to IEPF Authority in August 2022.

The details of Members and their unclaimed dividend/ equity shares entitlements / transferred / liable to be transferred to IEPF Authority are uploaded on the Company's website www.wabag.com. The Members are requested to approach the Company and/or RTA for any support to claim their entitlements, if any.

Depository System

Your Company has established connectivity with the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through KFin Technologies Limited, the Company's Registrar and Transfer Agent (RTA). The shares of your Company are tradable in the electronic form only.

As on March 31, 2022, the Company's total paid up capital representing 62190428 equity shares wherein 99.99% of equity shares are held in dematerialised form. The Company through various modes of communication encourages its Members to hold the shares in dematerialised form.

Credit Rating

The India Ratings & Research, the Credit Rating Agency, rated the Bank facilities of the Company as "IND A+ with Stable Outlook."

The said rating has been disclosed to the Stock Exchanges and this information is available on the Company's website www.wabag.com under Investor section.

Management Discussion and Analysis

A detailed analysis of your Company's performance is discussed in the Management Discussion and Analysis ("**MD&A**") Report which forms part of this Annual Report.

Corporate Governance

Your Company is committed to the highest standards of Corporate Governance. At WABAG, Corporate Governance is fundamental to the business and core to its existence. Your Company has implemented several best Corporate Governance practices to enhance Shareholders value on a long term basis and respect Shareholders rights in all our business decision. Your Company also ensures best practices throughout the business cycle and follows a transparent procedure in sharing timely information to all it's Stakeholders. Your Company places great emphasis on business ethics and ensures best practices throughout the business cycle.

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**"), the Report on Corporate Governance for the year under review, is presented in a separate section, forming part of this Annual Report.

A certificate from Practicing Company Secretary, confirming compliance of conditions of Corporate Governance, as stipulated under the SEBI LODR, also forms part of this Annual Report. A Compliance Report on applicable compliances of SEBI Circular, Notifications, and Regulations etc., issued by Practicing Company Secretary was filed with Stock Exchanges.

KEY PROJECTS UPDATE

ONE CITY ONE OPERATOR – CLEAN GANGE MISSION PROJECT - INDIA

Your Company is executing INR 1,477 Crores worth order secured from State Mission for Clean Ganga – Uttar

Pradesh since FY 2019-20 towards Operation, Maintenance and Management of the Sewage treatment and network infrastructure in the cities of Agra and Ghaziabad for a period of 10 (ten) years, extendable for an additional period of 5 (five) years.

This is the first initiative across the country on the "One City – One Operator" model. Your Company will manage, operate and maintain 22 Sewage Treatment Plants (STP), 70 Pumping Stations and underground network of over 4,200 kilometers with the objective of providing round the clock uninterrupted operations. Your Company shall also improve, rehabilitate and up-grade facilities related to systems, structures and equipments etc., associated with the Sewage Treatment Plants (STP) and underground sewage network systems.

This project will ensure treatment of over 670 MLD in both cities of Agra and Ghaziabad put together, adhering to national treatment standards thus providing cleaner and healthier eco system to the 3 (three) Million population of Agra and Ghaziabad. Your Company is proud to play a significant part in the rejuvenation of river Yamuna, by treating over 80% of the sewage generated in both the cities.

In Agra and Ghaziabad, your Company is taking several steps to implement best practices in operation and maintenance of STP's and pumping stations, so that sustainable and trouble free operations are achieved.

Your Company has taken several steps to eliminate direct manual intervention in underground sewage network and this is achieved by deploying jetting machines, super sucker machines for desilting and mini jetting for addressing issues in narrow streams. Through these initiatives, your Company has efficient improvement through technological intervention while maintaining safety of workmen. Your Company is determined to attain Operational Excellence through reliability, trouble free operations and enhanced customer services.

NAMAMI GANGE PROJECT – INDIA

A) BIHAR URBAN INFRASTRUCTURE DEVELOPMENT CORPORATION HAM PROJECT – INDIA

Your Company, a leading Pure Play Water Technology Indian Multinational Company is executing the largest order under Namami Gange Programme worth INR 1,187 Crores secured from Bihar Urban Infrastructure Development Corporation (BUIDCo) under the prestigious National Mission for Clean Ganga ('NMCG') Scheme to build Sewage Treatment Plants (STP) of 150 MLD capacity along with sewerage network of over 453 km in Digha and Kankarbagh zones of Patna, one of the most populous cities on the banks of River Ganga.

This project comprises Design, Build and Operate (DBO) scope worth about INR 940 Crores and Hybrid Annuity Model (HAM) scope worth about INR 247 Crores. 40% of CAPEX of the EPC part of the HAM portion will be paid in the form of grant during construction and 60% will be paid as Annuity over 15 years, along with the OPEX. This will be the first water project on HAM, in the State.

At Digha, the scope comprises designing and building a 100 MLD STP, Interception and Diversion Work, 2 (two) Sewage Pumping stations and survey, redesigning and building a new sewerage network of about 300 kilometers. In Kankarbagh, the scope comprises designing and building a 50 MLD STP, Flow Diversion Works and all appurtenant structures and survey, redesigning and building new sewerage network of about 150 kilometers.

Your Company completed the financial closure of its Hybrid Annuity Model (HAM) project received from BUIDCo. To meet the project debt funding requirement, your Company has partnered with PTC India Financial Services Limited ('PFS'), a leading green infrastructure finance Company which provides a vast array of services to the entities in infrastructure sector while contributing to the sustainable development goals of the Country.

The DBO portion of the project is under construction and the HAM portion is in advanced stage of engineering. Recently, with the completion of their Conditions Precedents, BUIDCo has declared the project effective date for HAM portion allowing construction activity to commence at site.

B) KOLKATA METROPOLITAN DEVELOPMENT AUTHORITY HAM PROJECT – INDIA

This KMDA Bally, Arupara, Baranagar project which is under execution, consists of construction of 3 (three) STPs at Arupara (65 MLD), Bally (40 MLD) and at Baranagar (60 MLD), associated pumping system and sewage transmission lines. Your Company will execute the Engineering, Procurement and Construction (EPC) portion of this project over 24 months followed by O&M of 15 (fifteen) years. This project is implemented by National Mission for Clean Ganga ('NMCG') and Kolkata Metropolitan Development Authority ('KMDA') with financial assistance from World Bank.

Your Company completed the financial closure for this Hybrid Annuity Model ('HAM') project received from KMDA. The project debt requirement will be funded by a consortium of International Finance Corporation ('IFC') and Tata Cleantech Capital Limited ('TCCL').

International Finance Corporation, a member of the World Bank Group, is the largest global development institution focused on the private sector in developing countries.

In line with our "asset-light" principle, your Company signed an agreement with Kathari Water Management Private Limited ('Kathari Water'), a wholly owned subsidiary of EverSource Capital, fund manager for Green Growth Equity Fund ('GGEF') who will be the investment partner in the project. GGEF is established with anchor investment from National Investment and Infrastructure Fund ('NIIF') anchored by Government of India and Foreign, Commonwealth & Development Office ('FCDO'), Government of UK.

The project with a cumulative wastewater treatment capacity of 187 MLD (165 MLD of new plant, together with 22 MLD of existing facility) when completed, will contribute to eliminating the discharge of untreated sewage into the Holy River Ganga. This shall be the first Water Project on HAM, in the State. While WABAG has been associated with KMDA for projects on EPC / DBO type of contracts, your Company extends association with reputed clients on PPP HAM type of contracts too.

The plant is now in an advanced stage of execution, having completed substantial amount of construction at site. The required equity has been infused by your Company and we expect the first tranche of debt infusion in the next few weeks.

Multiple ESHS audits, monitoring mechanisms and training programs have enabled in executing the project in a safe and environmentally sustainable manner. With continuous engagement and support from all stakeholders, the project today has completed over one-Million safe man-hours.

C) GHAZIABAD HAM PROJECT, GHAZIABAD, UTTAR PRADESH – INDIA

WABAG, through its wholly owned subsidiary Ghaziabad Water Solutions Private Limited (SPV entity), has signed a concession agreement with Ghaziabad Nagar Nigam (GNN) with the state of Uttar Pradesh, for a new 40 MLD Tertiary Treatment Plant (TTP) under Hybrid Annuity Model (HAM). Under a Design-Build-Operate (DBO) contract with SPV worth INR 594 Crores. WABAG will construct the new plant over 2 (two) years and operate the facilities, including the existing upstream 56 MLD Sewage Treatment Plant up to a period of 15 (fifteen) years following the start of commercial operations. The construction phase of the project will be co-funded by the client through one of the first municipal Green Bonds in India for a water treatment plant.

Ghaziabad TTRO will be the largest plant of its type under HAM in India and will contribute to a sustainable water Management. It is the second TTRO plant from WABAG following the 45 MLD TTRO plant at Koyambedu, Chennai in the State of Tamil Nadu which was commissioned in 2019 and is being operated by WABAG till 2035.

The Tertiary treatment plant is similar to the Koyambedu TTRO Plant and will process treated wastewater from an existing 56 MLD STP to produce industrial-grade water. This reclaimed water will be used by industries located in Sahibabad Industrial Estate in the Ghaziabad Municipal area. Upon commissioning of the new plant, the industries will be mandated to use the TTRO-treated water, instead of presently used ground water, which is already depleting fast.

Another major success that further strengthens WABAG's position as a leading water recycling expert, the project will receive funds from green bonds, which is first of its kind in the country. Ghaziabad Nagar Nigam is debt-free and has maintained a revenue surplus position in the last few years, according to India Ratings.

KANPUR CETP - INDIA

Your Company is currently executing INR 520 Crores worth order secured from Jajmau Tannery Effluent Treatment Association (JTETA) towards Engineering, Procurement, Construction, Operation & Maintenance of a 20 MLD Common Effluent Treatment Plant (CETP) along with treated sewage dilution facility for Jajmau leather cluster, in the state of Uttar Pradesh.

The scope of this Design and Build contract includes Design, Engineering, Supply, Erection, Construction and Commissioning of 20 MLD CETP. The CETP scheme includes pre-treatment, sulphide removal, de-nitrification, two stage extended aeration and tertiary treatment consisting of clarification, quartz filtration and ultra-filtration. The scope also includes setting up a collection and conveyance system, to collect and pump the effluent from various tanneries up to the treatment plant; setting up common chrome recovery unit, to treat chrome tanning effluents by recovering the chrome so that they can be reused in the tanneries and setting up a pilot plant with a zero liquid discharge facility.

The salient features of the project are effluent from 380 Tanneries will be treated as per the revised norms of Ministry of Environment and will be released for irrigation purpose. The proposed 20 MLD CETP project will have treatment process up to tertiary treatment including Ultra Filtration in Phase-I and an add-on Modular RO system in Phase-II. Spent Chrome liquor collection from each Tannery unit would be transported through tankers to CCRU and the recovered chrome shall be sent through drums or sold. This will ensure that the chrome liquor is uniformly treated from all tanneries. Zero Liquid Discharge (ZLD) based field scale pilot plant with a capacity of 200 KLD is developed for Research and Development activities to demonstrate high recovery of water (>95%) and high purity sodium chloride and sodium sulphate salts.

Post successful commissioning, your Company will also Operate & Maintain the above plants for a period of 5 (five) years. The construction of this plant is being funded under the prestigious Namami Gange Programme and the Operation & Maintenance will be self-financed by JTETA.

Work is in full swing and the Common Effluent Treatment Plant (CETP) is expected to be commissioned by early next year.

MANGLORE REFINERY AND PETROCHEMICALS LIMITED MANGALORE SEA WATER REVERSE OSMOSIS - INDIA

Your Company has executed INR 467 Crores worth order secured from Mangalore Refinery and Petrochemicals Limited ('MRPL') towards engineering, procurement and construction of a 30 MLD Sea Water Desalination plant expandable upto 70 MLD in Mangalore, Karnataka.

The scope of this Design and Build contract includes Engineering, Supply, Erection, Construction and Commissioning of a 30 MLD Sea Water Desalination plant. The project was executed using state-of-the-art technologies, including Sea Water Reverse Osmosis with energy recovery system, Brackish Water Reverse Osmosis and Ultra - Filtration systems. The project also includes cross-country piping of 22 Kilometers to deliver the water to MRPL's refinery. The plant aims to minimise the fresh water dependency.

The plant has been commissioned and Operation & Maintenance for a period of 10 (ten) years w.e.f. March 31, 2022 has commenced.

IPSACH BIEL SWW - SWITZERLAND

Your Company had received its biggest ever order towards Design and Build of Lake Water Treatment Plant from energie service biel/bienne, towards replacing the existing facility which is more than 50 years old, thereby ensuring water security to the city of Biel and Nidau, in Switzerland.

The plant will be built with state-of-the-art technology that purifies water using a multi-barrier treatment including Reverse Osmosis. The project will be executed over a period of 5 (five) years and your Company will deliver the electro-mechanical equipment for all treatment steps as well as the automation, starting with the raw water intake inside the building up to the distribution pumps to the network of the municipalities.

This order was awarded to your Company based on our technological superiority and the successful implementation of our pilot plant as well as the trust in WABAG Switzerland developed over the last 2 (two) decades. The lake Water Treatment Plant will be the first plant in Switzerland, which will also treat specific pesticides and micropollutant substances occurring in the last 2 (two) years.

300 MLD INDEPENDENT STP AT NEW JEDDAH AIRPORT- SAUDI ARABIA

This project to execute the 300 MLD Jeddah Airport 2 Independent Sewage Treatment Plant (ISTP) at Jeddah, Saudi Arabia is a repeat order for your Company in Saudi Arabia secured through Saudi Services for Electro Mechanical Works Company ('SSEM').

This plant, designed to treat 300 MLD is expandable to 500 MLD of wastewater treatment, will be built by your Company with the state-of-the-art NEREDA® technology for the first time in the region, a sustainable and cost-effective wastewater treatment technology that purifies water using the unique features of aerobic granular biomass for SSEM.

The project is progressing well amid global pandemic climate and has obtained approval of Basic Engineering package. Detailed Engineering and ordering is in full swing and construction activities has also commenced.

Your Company is extremely delighted to be part of the Vision 2030 that encourages private sector participation in achieving its economic development goals. In partnership with SSEM, your Company is happy to develop this sustainable wastewater infrastructure with the latest technology to be deployed for the first time in the region. This project will further expand your Company's growing footprint in the Middle East region.

JUBAIL STP PROJECT – SAUDI ARABIA

This STP project in the Kingdom of Saudi Arabia is to Design and Build a large scale sewage treatment plant, capacity 120 MLD for Jubail Industrial City for a total contract value of around half a billion Saudi Riyals equivalent to approx. USD 126 Million.

This STP project in Saudi Arabia being implemented for MARAFIQ, is progressing well and has achieved Engineering and Ordering completion. Even in the tough ongoing environment of pandemic globally, most of the procurements are delivered to site and a few balance are in advanced stage of manufacturing. Site Civil works have progressed well with utmost focus on HSE where the project has achieved major milestone of 4 Million safe man-hours. Focus now is on expediting the Mechanical, Electrical, Instrumentation, Control and Automation ('MEICA') works commissioning and project is expected to complete by year end.

SOUTH DOHA STP PROJECT – QATAR

This EPC project from Pubic Works Authority (ASHGAL) is for rehabilitation of South Doha Sewerage Treatment facility using clarification, filtration and aerobic digestion technologies to treat additional sewage which will be generated from the football stadium which is under construction for the FIFA World Cup 2022. This breakthrough EPC order includes rehabilitation of the existing plant while simultaneously operating it till the plant is constructed for new capacity.

In this project, detailed engineering is completed, all long lead materials have been ordered and delivered to site. Non-process unit rehabilitation work is completed and handed over. Process unit's rehabilitation work is progressing well and smoothly in sync with Client's operations team requirement. Civil works for new unit's Digesters, Side Stream Filtration unit, Bulk Chemical storage completed and MEICA works also have progressed significantly.

ZARAT PROJECT – TUNISIA

This project from SONEDE is to Design and Build a 50 MLD Sea Water Desalination plant in Tunisia, expandable upto 100 MLD. The project is a DBO contract, funded by KfW Germany and will be built using State of the Art Sea Water Reverse Osmosis with energy recovery system.

The project has progressed well with engineering and order nearing completion, civil works at site in full swing, equipment deliveries and installation commenced, MEICA items deliveries to site commenced with majority of items are at advanced stage of manufacturing completion. Intake and outfall pipes delivered to site.

DANGOTE REFINERY (DORL) LAGOS-NIGERIA

This project from Dangote Refinery and Petrochemicals Limited ('DORL') towards Engineering and Procurement of total water management system which incudes a 4000 M^3/hr Raw Water Treatment includes Sequencing Batch Reactors, Dual Media Pressurised Filters followed by Ultra-filtration and Reverse Osmosis Plant (500m^3/hr x 8 units) along with Effluent Treatment Plant followed by tertiary Reuse UFRO plant and a Demineralising and Condensate polishing plant to feed Refinery plant in Lagos, Nigeria. Plant is in advanced stage of construction and is expected to go on stream by Q3 FY 2023.

The plant treats lake water which is high in suspended solids and little BOD and COD converting this water suitable for cooling tower make up, other process use and part of the water is treated through Demin plant to meet High Pressure Boiler requirement in refinery. The treated water will cater to water requirements of one of the largest refinery (20 MMTPA) in Africa. This will be the first effluent recycle and reuse plant by your Company on a foreign soil.

SIBUR – RUSSIA

Your Company has consolidated its market position in the Oil and Gas sector further, by securing a breakthrough Engineering and Procurement ('EP') order from Amur Gas Chemical Complex LLC., ('AGCC') in Russia. AGCC is a joint venture of SIBUR Holding Russia and China Petroleum & Chemical Corporation ('Sinopec'), China. AGCC is set to become one of the world's largest basic polymer production facilities.

WABAG shall be the technology and system integrator for the Integrated Treatment Facilities (Waste Water Treatment unit). WABAG shall deploy advanced technologies to treat waste water streams. The facility will have a concentrate evaporator unit to maintain Zero Liquid Discharge (ZLD) and the sludge will be de-watered and dried. The facility will be designed to Recycle & Re-use the waste water released from the petrochemical unit, substituting about 25% of the raw water intake requirement. The deployment of ZLD and Recycle & Re-use makes the facility environmentally friendly and meets stringent environmental regulations.

WABAG shall perform the scope of Design, Engineering, Procurement, Supply and Supervision of the facilities during erection and commissioning including process and technology equipment, piping system, electrical, instrumentation / control systems and building and architectural materials.

This technology dominant breakthrough order in the CIS region, especially in the Russian Federation also marks WABAG's largest order in the Oil and Gas sector.

This order from a marquee customer in the Oil and Gas sector, re-affirms our technological superiority and execution excellence, built over the years. Your Company is proud to have secured this contract amidst stiff international competition and we are confident that this project will be another landmark reference for your Company.

COVID-19

The COVID-19 crisis continued to impact globally during the FY 2021-22. Your Company, being a pure play water technology Indian Multi National Company, engaged in the water technology solutions across globe, ensured supply of water, treatment of wastewater /sewage for the society despite the hurdles posed by second wave of COVID-19 during the year.

Your Company have ensured continuous O&M operations during this pandemic situation, thanks to the local government(s)/authorities for providing us required support.

In addition, in collaboration with the client(s), specific permissions/relaxations from the regulatory and other local authorities were obtained at certain highly critical construction sites to continue the work during restricted period.

As reports of the variants of Corona virus started coming in, your Company stepped up continuous efforts to protect the health of its employees. Together with health professionals and hospitals across our various locations, your Company offered COVID-19 related care for its employees and their families. Necessary safety and hygiene measures like vaccination drive / booster dose, face masks, social distancing norms, workplace sanitation and employee awareness programmes were followed in compliance with the guidelines of the local authorities.

Please refer our MD&A section and Financial Statements in this Annual Report for more details on COVID-19 situation.

Business Responsibility Report

Environmental, Social and Governance responsibility is an integral part of your Company in its business. Your Company is conscious of its impact on the society within which it operates and it is committed to pursuing its business objectives ethically, transparently and with accountability to all its Stakeholders. Your Company has systems to eliminate or control any adverse impacts of its operations on society.

Pursuant to the SEBI LODR, the Business Responsibility Report (BRR), describing the initiatives taken by the Company from Environmental, Social and Governance (ESG) perspective forms part of this Annual Report. The Report provides an overview of initiatives taken by your Company.

Policies of the Company

The Board of Directors and your Company have framed various statutory policies, codes as prescribed under the Act and SEBI LODR, from time to time. The Board/ Committee continuously reviews and updates the Policies and Codes, in line with the amendments to Act and SEBI LODR. Some of the key policies adopted by your Company are as follows:

1. Code of Conduct for Board Members and Senior Management Personnel
2. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Policy for identifying legitimate purpose
3. Corporate Social Responsibility Policy
4. Dividend Distribution Policy
5. Nomination, Evaluation & Remuneration Policy
6. Policy for Determination of Materiality for Disclosure of Events or Information
7. Policy on Determining Material Subsidiaries
8. Policy on Preservation and Archival of Documents
9. Policy on Related Party Transactions & Materiality of Related Party Transactions
10. Whistle Blower Policy

The aforesaid policies can be viewed in the Company website under "Polices / Codes" section in the link namely https://www.wabag.com/compliances/

Code of conduct for Prevention of Insider Trading, Prevention Of Sexual Harrasment (POSH) policy and other policies etc., are available on your Company's intranet portal.

Directors & Key Managerial Personnel

Your Company being a professionally managed Company is functioning under the overall supervision and guidance of 3 (three) Independent Directors including an Independent Woman Director, 1 (one) Non – Executive Non - Independent Director and 2 (two) Executive Directors. The changes in Directors and Key Managerial Personnel position from April 01, 2021 till the date of this report are as follows:

1. Mr. Amit Goela (DIN:01754804), was appointed as a Non – Executive Non - Independent Director w.e.f July 19, 2021
2. Mr. Sandeep Agrawal, Chief Financial Officer (Key Managerial Personnel) resigned w.e.f the closing working hours on June 07, 2021
3. Mr. Skandaprasad Seetharaman, appointed as Chief Financial Officer (Key Managerial Personnel) of the Company w.e.f. June 08, 2021
4. Mr. V. Arulmozhi, appointed as Chief Financial Officer – India Cluster (Key Managerial Personnel) of the Company w.e.f June 01, 2021.

5. During the year under review, with profound sadness and grief, the Board took note of the sad demise of Mr. Malay Mukherjee, Non - Executive Chairman and Independent Director of the Company, aged 74 years, on January 29, 2022.

Mr. Malay Mukherjee had over 43 years of rich experience in a range of technical, commercial and managerial roles in the mining, steel industry and holds directorship position in listed and unlisted entities in India and overseas. He was a Non - Executive Independent Director in WABAG since 2015 and occupied the position of Non - Executive Chairman from September 23, 2020 until his demise.

As Chairman and Member of the Board and various other Board Committees of the Company, he was instrumental in bringing various policy changes, process and business decisions, which benefitted the Company at large.

During his tenure, WABAG has formulated its vision document namely 'WABAG 2025 Growth Strategy', restructured its presence across geographies, secured large order book size, became more focused on risk management and liquidity management and increased its credibility and visibility as an Indian MNC with global recognition.

The Board of Directors have placed on record its appreciation for invaluable services rendered by Mr. Malay Mukherjee during his Directorship. His dedication, support, guidance will remain an inspiration for the people at WABAG.

Based on the recommendation of Nomination and Remuneration Committee and considering the rich and vast experience of Mr. Rajiv Mittal, Managing Director & Group CEO, the Board of Directors ("**Board**") of the Company at their meeting held on March 26, 2022 had appointed Mr. Rajiv Mittal as Chairman and accordingly re-designated him as Chairman cum Managing Director & Group CEO with immediate effect.

Retirement by rotation and subsequent re-appointment

In accordance with the provisions of the Act read with the Rules made thereunder, SEBI LODR and the Articles of Association of the Company, the Independent Directors and the Managing Director of the Company are not liable to retire by rotation.

In order to comply with the provisions of Section 152 of the Act read with rules issued thereunder, Mr. S. Varadarajan, (DIN: 02353065) Whole Time Director & Chief Growth Officer, who was appointed by the Members of the Company at the 23rd AGM held in 2018 for a period of 5 (five) years, has to be considered to retire by rotation at the ensuing Annual General Meeting (AGM) and he being eligible, offers himself for re-appointment. A brief profile of Mr. S. Varadarajan is given in the notice dated May 27, 2022 convening the 27th AGM of the Company. The Board of Directors of your Company recommends his re-appointment.

Independent Directors

The Members of the Company at the 24th AGM held on August 13, 2019, has appointed Mr. Milin Mehta (DIN: 01297508), as an Independent Director of the Company to hold office for a period of 3 (three) consecutive years upto the conclusion of the 27th AGM to be held in calendar year 2022. The Board of Directors of your Company at their meeting held on May 27, 2022, on the recommendation of Nomination and Remuneration Committee and subject to the approval of the Members at the ensuing Annual General Meeting, considered and approved the reappointment of Mr. Milin Mehta (DIN: 01297508), as an Independent Director of the Company for a period of 5 (five) years from the conclusion of the ensuing 27th AGM who shall not be liable to retire by rotation.

Your Board seeks approval from Members for re- appointment of Mr. Milin Mehta (DIN: 01297508), as an Independent Director of the Company to hold office for a period of 5 (five)years from the conclusion of the ensuing 27th AGM viz; August 24, 2022. Your Company has received requisite notice in writing from the Member proposing his candidature. The brief profile of Mr. Milin Mehta along with other requisite information have been outlined in the Notice convening the 27th AGM of the Company.

Declaration of Independence by Independent Directors

All Independent Directors of your Company have confirmed that they meet the "Independence criteria" laid down under the Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR. In addition, they continue to maintain their maximum limits of Directorships as required under SEBI LODR.

Your Company has received necessary declarations from the Independent Directors in this regard.

Board's opinion on integrity, expertise and experience (including the proficiency) of the Independent Directors appointed during the year

During the FY 2021-22, there were no new Independent Directors appointed to the Board. With regard to proficiency of the Independent Directors, ascertained from the online proficiency self-assessment test conducted by the IICA (Indian Institute of Corporate Affairs), as notified under Section 150(1) of the Act, the Board of Directors have taken on record the declarations submitted by Independent Directors that they have complied with the requirements.

Key Managerial Personnel

The Key Managerial Personnel (KMP) of your Company as on March 31, 2022 as per Section 203 of the Act, are as follows:

a) Mr. Rajiv Mittal, Chairman cum Managing Director & Group CEO

b) Mr. S. Varadarajan, Whole Time Director & CGO

c) Mr. Pankaj Sachdeva, CEO - India Cluster

d) Mr. Skandaprasad Seetharaman, CFO

e) Mr. V. Arulmozhi, CFO – India Cluster

f) Mr. R. Swaminathan, Company Secretary & Compliance Officer

During the year under review, Mr. Sandeep Agrawal, Chief Financial Officer (Key Managerial Personnel) of the Company, resigned from the closing working hours on June 07, 2021. Mr. Skandaprasad Seetharaman was appointed as Chief Financial Officer (Key Managerial Personnel) of the Company w.e.f. June 08, 2021 and Mr. V. Arulmozhi was appointed as Chief Financial Officer – India Cluster (Key Managerial Personnel) of the Company w.e.f June 01, 2021.

Board Diversity

Your Company recognises the importance of a diverse Board for its success and believes that a diverse Board will ensure effective corporate governance, responsible decision-making ability, sustainable business development and Company's reputation.

The Company recognises and sets out the approach to have diversity on the Board of the Company in terms of thought, knowledge, skills, regional and industry experience, cultural and geographical background, perspective, gender, age, ethnicity and race in the Board, based on the laws / regulations applicable to the Company and as appropriate to the requirements of the businesses of the Company.

The Nomination and Remuneration Committee sets out the approach to diversity of the Board of Directors.

Board & Performance Evaluation

The Nomination and Remuneration Committee and the Board of Directors of your Company has in accordance with the provisions of the Act and SEBI LODR, laid down the manner in which formal annual evaluation of the performance of the Board, Committees, Individual Directors and Chairman to be made.

During the year under review, the Board carried out an annual evaluation of its own performance, its Committees and performance of all the Directors individually. The evaluation was carried out based on the responses sought from the Directors by way of an organised questionnaire covering various aspects of the functions of the Boards adequacy, culture, execution and delivery of performance of specific duties, obligations and Governance.

The Nomination and Remuneration Committee of the Board carried out a separate exercise to evaluate the performance of Individual Directors. The Independent Directors of the Company carried out the performance evaluation of the Executive Directors and the Board as a whole at their Meeting held during FY 2021-22. Taking into account the views of the Executive Directors, the Independent Directors carried out the performance evaluation of the Chairman of the Board of Directors of the Company. The report on Corporate Governance forming part of this Annual Report covers details of the evaluation process and other requisite information.

Familiarisation Programme

As part of Familiarisation Program, your Company conducts various programmes, session and seminars for the Directors, from time to time, to update them with various aspects covering the industry including the business process, procedures, laws, rules and regulations as applicable for the business of the Company, making presentations on the business areas of the Company including business strategy, risk opportunities, quarterly performance of the Company, etc.

A formal letter of appointment was issued to Directors at the time of their appointment, capturing their role, function, duties and responsibilities and expectation of Board. The Directors of your Company are given the full opportunity to interact with Senior Management Personnel and provided with the access to all the documents/ information sought by them to have a good understanding of the Company, its business and various operations and the industry of which it is a part.

Details of the Familiarisation Programme are explained in the Report on Corporate Governance and are available on the Company's website at link https://www.wabag.com/compliances/.

Appointment of Directors

Pursuant to Section 134(3)(e) and 178(3) of the Act, the Nomination, Evaluation & Remuneration Policy lays down the criteria for determining qualifications, positive attributes and independence of a Director. The Nomination and Remuneration Committee has formulated the criteria for appointment of Director on the Board of Directors of the Company. In accordance with the provisions of the Act and SEBI LODR, the Nomination and Remuneration Committee based on the criteria formulated makes necessary recommendation to the Board for the appointment of Directors.

In addition, the Nomination and Remuneration Committee on the basis of the performance evaluation of Directors, recommends to the Board on extension or continuation of the term of office of Independent Directors from time to time.

Board & Committees

The Board of your Company comprises the following Directors:

(i) Mr. Rajiv Mittal, Chairman cum Managing Director & Group CEO

(ii) Mr. Milin Mehta, Non-Executive Independent Director;

(iii) Mr. Ranjit Singh, Non-Executive Independent Director;

(iv) Ms. Vijaya Sampath, Non-Executive Independent Director;

(v) Mr. Amit Goela, Non – Executive Non – Independent Director; and

(vi) Mr. S. Varadarajan, Whole Time Director & Chief Growth Officer (CGO)

Your Company maintains the highest standards of Corporate Governance practices and is in compliance with the requirements of the relevant provisions of applicable laws and statutes.

As on March 31, 2022, the Board of your Company has 6 (six) Committees viz.

a) **Stakeholders Relationship Committee** inter - alia to look into various matters relating to the security holders of the Company

b) **Nomination and Remuneration Committee** inter - alia with wider terms of reference as per the statutory requirements

c) **Corporate Social Responsibility Committee**, inter - alia, to undertake CSR activities, monitoring and reporting system for utilisation of funds for the CSR activities

d) **Risk Management and Monitoring Committee** inter - alia to review and monitor the various projects of the Company from time to time and evaluate the risks existing in the business and ensure appropriate mitigation measures in a time bound manner

e) **Overseas Investment Committee** inter - alia, to scrutinise, evaluate and approve any new/enhancement in the investment by the Company in setting up a branch/ subsidiary/joint venture entity, in India or overseas and periodically monitor that the investments made in such group entities are used for such approved purpose so as to ensure that return on investment to the Company is protected in the long run. Please refer page no. 45 of this Annual Report for investment made by Company in Overseas Direct Investment (ODI) entities.

f) **Audit Committee** which acts as an interface between the statutory and internal auditors, the Management and the Board of Directors. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviews the Company's statutory and internal audit processes. The Board reviews/ accepts the recommendations made by the Committee.

Pursuant to Section 177(8) of the Act, the Audit Committee of the Board comprises 3 (three) Independent Directors and 1 (one) Executive Director viz., Mr. Milin Mehta, Chairman of the Committee, Mr. Ranjit Singh, Ms. Vijaya Sampath and Mr. Rajiv Mittal, Members of the Committee.

The respective Chairperson of each Committee convenes the meetings of the Committees. The Board is apprised with the discussion held at the meeting of the Committees, from time to time, for review/ necessary action, wherever required. In compliance with the Secretarial Standards -1, the Minutes of the Meetings of the Committees are sent to all Members of the Committees for their comments, if any. The approved Minutes are signed and certified minutes are shared with the Board and respective Committees and tabled at the subsequent meeting of Board of Directors/Committees.

The annual calendar of the Board and Committee Meetings are finalised by the Board before the beginning of the year to enable the Directors to plan their schedule in advance and to ensure their participation in the meetings.

During the year, your Board met 8 (eight) times through Physical and Video Conferencing/ other Audio Visual Means on May 14, 2021, May 31, 2021, June 05, 2021, July 19, 2021, August 11, 2021, November 13, 2021, February 11, 2022, and March 26, 2022. The details regarding composition of Board, attendance of the Directors and other relevant information are set out in the Report on Corporate Governance forming part of this Annual Report.

Directors Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement in terms of Section 134 of the Act:

- that in the preparation of the annual accounts of the Company, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the

Company at the end of the Financial Year and of the profit of the Company for that period;

- that they had taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that they had prepared the annual accounts on a going concern basis;
- that they had laid down internal financial controls which are adequate and operating effectively; and
- that they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

Remuneration Policy

Your Company designed its remuneration policy based on various evaluation criteria determined by the Nomination and Remuneration Committee in line with the requirements of the applicable law. The objective of the Remuneration Policy is to assess the effectiveness of the Board as a whole, Committees of the Board and Individual Directors on regular basis and to attract, motivate and retain the Directors, Key Managerial Personnel, Senior Management Personnel and other expert Individuals that the Company requires in order to achieve its strategic and operational objectives.

In accordance with the relevant provisions of the Act and SEBI LODR, the following Policies/ Framework have been adopted by the Board upon recommendation of the Nomination and Remuneration Committee as part of Nomination, Evaluation & Remuneration Policy:

- Board Nomination Policy
- Policy for appointment and removal of Director, Key Managerial Personnel and Senior Management Personnel
- Board Evaluation Policy
- Board Diversity Policy
- Policy related to Remuneration for the Executive Directors, Key Managerial Personnel and Senior Management Personnel
- Policy related to Remuneration for the Non - Executive Directors / Independent Directors

The Nomination, Evaluation & Remuneration Policy of the Company is available on the website of the Company www.wabag.com. The information on Director's Commission and other matters as provided in Section 178(3) of the Act are disclosed in the Report on Corporate Governance forming part of this Annual Report. The overall limit of remuneration payable to the Board of Directors and Managerial Personnel are governed by provisions of Section 197 of the Act and rules made thereunder.

Executive Directors

The remuneration of the Executive Directors consists of fixed component and a variable performance incentive. The Nomination and Remuneration Committee makes annual appraisal of the performance of the Executive Directors based on a detailed performance evaluation and recommends the compensation payable to them, within the parameters approved by the Members, to the Board for their approval.

Non-Executive Directors

The Non-Executive Directors are paid remuneration in the form of commission subject to overall ceiling limits prescribed under the Act. The Board can determine different remuneration for different Directors on the basis of their role, responsibilities, duties, time involvement etc. The Company has no pecuniary relationship with Non- Executive Directors except for the commission being paid to them.

KMP/ Senior Management/ Other Employees

The remuneration of Key Managerial Personnel (other than Executive Directors) and any revision thereof, shall be approved by the Board in accordance with the compensation and appraisal policy of the Company which consists of fixed and variable pay includes salary, benefits, perquisites, provident fund etc. The Chairman cum Managing Director & Group CEO and Whole Time Director & CGO carry out the performance evaluation of senior management/ other employees and apprises the Board/ Nomination and Remuneration Committee about the same and on the basis on achievement of KPI and KRA they will be paid remuneration/ any revision thereof.

Policy on Preservation & Archival of Documents

In accordance with Regulation 9 read with Regulation 30(8) of the SEBI LODR, your Company has framed a Policy on "**Preservation & Archival of the Documents**". This policy is available on the Company's website www.wabag.com. The Policy provides guidelines for the retention of records, duration of preservation of relevant documents, archival/ safe disposal/ destruction of the documents. The Policy inter - alia aids the employees in handling the documents efficiently either in physical form or electronic form. The Policy not only covers the various aspects on preservation, but also archival of documents.

Employees stock option scheme (ESOP)

Your Company does not have any existing ESOP scheme as on date of this report.

Particulars of Employees

Pursuant to Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, disclosures with respect to the remuneration of Directors, KMP and employees, are enclosed as **Annexure I** to the Board's Report.

Pursuant to provisions of section 197(12) of the Act, read with Rules 5(2) & 5(3) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, details of employee remuneration are available to any Member on request and such details are also available on the Company's website www.wabag.com.

Industrial Relations

Your Company maintained healthy, cordial and harmonious industrial relations at all levels with Stakeholders. The enthusiasm and unstinted efforts of our employees have enabled your Company to remain at the leadership position in the industry. It has taken various steps to improve productivity across the organisation.

Policy on Prevention of Sexual Harassment at Workplace

Your Company has a Policy on Prevention of Sexual Harassment in place in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("**POSH**"). Your Company maintains a collaborative, inclusive, non-discriminative and safe work culture, and provide equal opportunities to all employees. Your Company has a 'Zero Tolerance' policy towards sexual harassment at the workplace.

Your Company has constituted Internal Complaints Committee under POSH, which comprises 6 (six) Members, majority being women members including 1 (one) external women representative.

All employees viz; permanent, consultant, contractual, temporary and trainees are covered under your Company's Policy on Prevention of Sexual Harassment.

During the year under review, your Company did not receive any complaint for Sexual Harassment at workplace. An Annual Report comprising details of complaints received, disposed off and pending at the end of the Calendar Year i.e. December 31, 2021 was duly submitted by the Internal Compliant Committee, in accordance with the Section 21 of POSH.

Auditors

A. Statutory Auditors

The Members of the Company at the 23rd AGM held on August 10, 2018 had appointed M/s. Sharp & Tannan, Chartered Accountants, Chennai (Firm Regn No: 003792S) as the Statutory Auditors of the Company to hold office for a term of 5 (five) years from the conclusion of the 23rd AGM until the conclusion of the 28th AGM of the Company to be held in the calendar year 2023.

The Statutory Auditors of the Company have submitted Independent Auditors' reports for FY 2021-22 and is forming part of this Annual Report. The Auditor's Report on Standalone and Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022, does not contain any qualification, reservation or adverse remark.

B. Cost Auditor

Pursuant to the provisions of the Section 148(1) of the Act, Mr. K Suryanarayanan, Practicing Cost Accountant (Membership No.24946) was appointed as Cost Auditor of the Company, for conducting the audit of costs records for the FY 2021-22. The audit of cost records is in progress and report by Cost Auditor will be filed with the Authority within the prescribed time. A proposal for ratification of remuneration of the Cost Auditors for the FY 2021-22 will be placed before the Members of the Company at the ensuing AGM.

The cost records, as applicable to the Company are maintained in accordance with the sub-section (1) of Section 148 of the Act.

C. Secretarial Auditor

The Board of Directors had appointed Mr. M. Damodaran of M/s M Damodaran & Associates LLP, Practicing Company Secretaries, Chennai as the Secretarial Auditors of the Company, to undertake the Secretarial Audit of the Company for FY 2021-22. The Secretarial Audit Report was placed before the Board and it does not contain any qualification, reservation or adverse remark. The Report of the Secretarial Auditor is enclosed as **Annexure II** to the Board's Report.

Your Board has appointed M/s. M Damodaran & Associates LLP, Practicing Company Secretaries, as Secretarial Auditor of the Company for FY 2022-23.

D. Internal Auditors

M/s PKF Sridhar & Santhanam LLP, Chartered Accountants, Chennai, (Firm Regn. No - 003990S/S200018) was appointed as Internal Auditors of the Company to conduct the Internal Audit for the FY 2021-22. The Internal Auditors reports directly to the Audit Committee and makes comprehensive presentations at the Audit Committee meeting(s) on the Internal Audit Report covering the business areas required by the Audit Committee, from time to time.

Your Board has appointed M/s PKF Sridhar & Santhanam LLP, Chartered Accountants, Chennai, as Internal Auditor of the Company for the FY 2022-23.

None of the Auditors of the Company have reported any frauds to the Audit Committee or to the Board of Directors under Section 143(12) of the Act, including rules made thereunder.

Subsidiaries, Joint Ventures & Associates

a) During the FY 2021 - 22, Your Company invested INR 1,00,00,000 in Compulsorily Convertible Preference Shares (Series A CCPS) of face value of INR 10/- each and INR 8,51,50,000 in Non – Convertible Debentures (Series A NCD) of face value of INR 10/- each in Ganga STP Project Private Limited, a Subsidiary Company, on April 30, 2021 and February 02, 2022 respectively. Please refer project update on page no. 34 of Board's Report for more details.

b) During the FY 2021-22, Kathari Water Management Private Limited had invested INR 4,90,000/- in Equity shares (49000 Equity shares of face value of INR 10/- each) on September 22, 2021, INR 9,31,86,470/- in Compulsorily Convertible Preference Shares (9318647 Series B CCPS of face value of INR 10/- each), INR 24,23,50,000/- in Non-Convertible Debentures (24235000 Series A NCD of face value of INR 10/- each) and INR 18,38,23,530/- in Non-Convertible Debentures (18382353 Series B NCD of face value of INR 10/- each) on March 31, 2022 of Ganga STP Project Private Limited, a Subsidiary Company.

c) During the FY 2021-22, the name of the Company's wholly owned subsidiary Digha STP Projects Private Limited was changed to Ghaziabad Water Solutions Private Limited.

d) Subsequent to the close of the financial year, M/s. International Water Treatment LLC, Oman, JV entity which was formed for carrying out Engineering, Procurement and Construction Contract for Water Desalination Project in Muscat, The Sultanate of Oman, has been liquidated with effect from April 17, 2022, post completion of the said project and all contractual and other formalities.

Your Company has 18 (eighteen) subsidiaries, 3 (three) associates and 1 (one) Joint Venture entity as on date of this report. Pursuant to Section 129(3) of the Act, a statement containing the salient features of the Financial Statement of our subsidiaries in the prescribed format AOC - 1 is enclosed as **Annexure III** to the Board's Report.

Material Subsidiaries

The Board of Directors of your Company has framed a Policy for "Determining Material Subsidiaries" in accordance with the SEBI LODR. The policy is also made available on your Company's website www.wabag.com.

In accordance with the provisions of SEBI LODR and Policy for Determining Material Subsidiaries, your Company has 1 (one) Material Subsidiary i.e. VA Tech Wabag GmbH, Austria, as on the date of this report.

Consolidated Financial Statements

The Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2022 are prepared in compliance with the applicable provisions of the Act including Indian Accounting Standards specified under Section 133 of the Act. The audited consolidated Financial Statements together with the Auditors' Report thereon form part of this Annual Report.

Pursuant to the provisions of Section 136 of the Act, the Financial Statements of the Subsidiaries, Associates and Joint Venture entities of the Company are available for inspection by the Members at the Registered Office of the Company. Your Company shall provide a copy of the Financial Statements of its Subsidiary companies to the Members upon their request. The statements are also available on the website of your Company at www.wabag.com under Investors Section.

Related Party Transactions

All transactions entered into with Related Parties by the Company, during the year under review, were in the ordinary course of business and at arm's length basis and in accordance with the provisions of the Act and the SEBI LODR.

There were no materially significant Related Party Transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The details of the same are given in the notes to Financial Statements.

The Related Party Transactions were placed before the Audit Committee for their review, consideration and approval/ recommendation and then placed before the Board for suitable noting/approval. Amended Policy on Materiality of Related Party Transactions & on dealing with Related Party Transactions is available on the Company's website www.wabag.com.

The details as required to be provided under Section 134(3)(h) of the Act, in the prescribed Form no. AOC-2 are enclosed as **Annexure V** to the Board's report.

Overseas Direct Investment

Your Company, over the years has expanded its global reach through Overseas Direct Investments (ODI), through

Subsidiaries, Associate & Joint Venture Entities. As of March 31, 2022, the aggregate financial investments in such ODIs amount to INR 87.49 Crores as against INR 156.82 Crores as of last year. Out of such overseas investments, a very substantial component of investment comprises guarantees/ non-funded exposure for various projects, which as of March 31, 2022 amounted to INR 60.35 Crores (68.98% of total financial exposure). The funded exposure of the Company in ODI for the same period consists of equity investments of INR 25.30 Crores (28.92% of total financial exposure) and loans amounting to INR 1.84 Crores (2.10% of total financial exposure). Your Company has not provided any loan to its ODI entities during the year.

Your Company has been benefitted from these ODIs in the form of export/ other earnings.

The benefits generated by the Company from its overseas entities are substantial considering its relative meagre funded investment in such ODI entities. During the FY 2021-22, the Standalone revenue of the Company included revenue from overseas projects amounting to INR 1,035 Crores as against INR 924 Crores last year. The aggregate operational revenue generated by the Group during the FY 2021-22 through Company's overseas entities and exports out of India aggregated to INR 1,905 Crores which is 64% of overall consolidated revenue of INR 2,979 Crores.

Corporate Social Responsibility (CSR)

Your Company's CSR Committee comprises Ms. Vijaya Sampath (Chairperson) (DIN: 00641110), Mr. Amit Goela (DIN: 01754804), Mr. Rajiv Mittal (DIN: 01299110) and Mr. S. Varadarajan (DIN:02353065) as Members. The Committee is responsible for formulating and monitoring the CSR policy of the Company.

Pursuant to Section 135(4) of the Act, the major contents of CSR policy include your Company's CSR approach and guiding principles, core Ideology, total outlay for each Financial Year, allocation of resources and thrust areas, formulation of annual action plan, Executing Agency/ Partners and Impact Assessment.

This policy is available on the Company's website in the following link: https://www.wabag.com/compliances/.

Your Company being engaged in Water business, as part of its CSR Policy and guiding principles, would prefer to take up CSR projects relating to water, waste water management and sanitation, which could be closer to establishments viz., offices or project sites to help the project neighborhood.

In terms of Section 135 of the Act read with CSR Rules and in accordance with CSR Policy and in accordance with the Annual Action Plan, your Company allocated a limit equivalent to 2% of the average net profits of its 3 (three) immediately preceding Financial Years for implementation of CSR activities. During the year under review, your Company spent a sum of INR 24.56 Lakhs towards CSR projects implementation.

Pursuant to the provisions of Section 135(6) of the Companies Act, 2013, the Board decided to transfer the unspent amount of INR 136.97 Lakhs for Financial Year 2021-22, towards the Ongoing Projects to a special account called as "Unspent Corporate Social Responsibility Account". (UCSRA).

Further, during the year, your Company implemented the following CSR projects –

(i) Livelihood Improvement Programme at Kolkata - On going Project

(ii) Sanitation Programs at Chennai City - On going Project

(iii) E – Bio Toilets at Kumbh Mela, Haridwar - Completed

During the FY 2021-22, the Company has spent an amount of INR 100.9 Lakhs (including INR 89.09 Lakhs transferred to Unspent Corporate Social Responsibility Account) towards Usharmukti Project at West Bengal, categorised as On-going Project during FY 2020-21, which has now been completed.

The details of the aforesaid projects are covered in the annual report on our CSR activities forming part of this Board's Report.

The CSR Committee of the Board has been constantly reviewing the projects and gives directions to expedite implementation of the projects undertaken. It also focus on proposals covering skill development CSR initiatives in the form of training and development programmes to enrich the knowledge, skill sets, communication, on the job training, improve efficiency and performance level of technical and non-technical persons viz., diploma holders, graduates and other eligible persons.

Core Ideology: For WABAG, responsible business practices include being responsible for our business processes, engaging in responsible relations with employees, customers and the community. Hence for the Company, Corporate Social Responsibility goes beyond just adhering to statutory and legal compliances, and creates social and environmental value while supporting the Company's business objectives and reducing operating costs and at the same time enhancing relationships with key Stakeholders and Customers.

Your Company's commitment to CSR will be manifested by investing resources in one or more of the following areas:

a. Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water;

b. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently-abled and livelihood enhancement projects;

c. Promoting gender equality, empowering women, setting up homes and hostels for women and orphans, setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups;

d. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro-forestry, conservation of natural resources and maintaining quality of soil, air and Water;

e. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art;

f. Contribution to any fund set up by the Central Government for socio-economic development disaster relief and for any other purpose for which these funds are allocated and utilised;

g. Contribution of funds provided to technology incubators located within academic institutions which are approved by the Central Government for CSR purposes;

h. Rural Development Projects

i. Setting up facilities related to pandemic illnesses like COVID-19, health infrastructure for COVID care, establishment of medical oxygen generation and storage plants', 'manufacturing and supply of oxygen concentrators, ventilators, cylinders and other medical equipment for countering pandemics'.

The annual report on our CSR activities is enclosed as **Annexure IV** to the Board's Report.

Particulars of Loans, Guarantees or Investments

Pursuant to provisions of Section 186 of the Act and Schedule V of the SEBI LODR the details of loans, guarantees and investments, as on March 31, 2022, are given in the notes to the Financial Statements of the Company.

Internal Control / Audit and its adequacy

Your Company has built robust control system upon which the internal controls are built to mitigate the risks. Under the controlled environment; Company's policies, procedures and standards are developed to uphold control across the organisation. Adequate internal controls are in place to commensurate with business and operating dynamics. Internal controls are designed to provide reasonable assurance over:

1. Achieving strategic objectives
2. Efficiency and effectiveness of business operations
3. Prevention and detection of frauds and errors
4. Safeguarding its assets
5. Complying with applicable laws and regulations
6. Providing reliable financial information

Your Company has independent internal audit agency, spearheaded by industry veterans and process experts. The Audit Committee of the Board periodically reviews the audit functions and key issues are acted upon immediately. The Key controls are periodically reviewed and improvements are made to enhance the reliability of information. The Company through its global ERP continues to align its processes and controls with industry best practices.

Internal Control Over Financial Reporting

The Act, re-emphasises the need for an effective Internal Financial Control system in the Company which should be adequate and shall operate effectively.

1. The internal financial controls within the Company commensurates with the size, scale and complexity of its operations.
2. Audit Committee of the Board periodically reviews the internal audit plans and provides observations/ recommendations to the Internal and Statutory Auditors.
3. The controls were tested during the year and no reportable material weaknesses.
4. Your Company continuously tries to automate these controls to increase its reliability.
5. Your Company follows accounting policies which are in line with the Indian Accounting Standards (IndAS) notified under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015. These are in accordance with Generally Accepted Accounting Principles (GAAP) in India.
6. Your Company's Books of Accounts are maintained in IFS and transactions are executed through IFS setups to ensure correctness/ effectiveness of all transactions, integrity and reliability of reporting.
7. Your Company has a mechanism of building budgets at an integrated cross - functional level. The budgets are reviewed on a monthly basis so as to analyse the performance and take corrective action, wherever required.

8. Overseas subsidiaries provide required information of consolidation of accounts in the format prescribed by your Company along with certification from respective entity auditors.

Risk Management

Your Board has constituted a dedicated Committee viz. "Risk Management and Monitoring Committee" to review risks trends, exposure, its potential impact analysis and mitigation plans. The Committee consists of 4 (four) Directors out of which 2 (two) are Independent Directors and 2 (two) are Executive Directors. The details on your Company's risk Management framework/ strategy, risk assessment, risk acceptance, risk avoidance, risk mitigation, risk review etc. form part of Management Discussion and Analysis section of this Annual Report.

Awards and Recognitions

During the year under review, your Company received numerous awards and accolades conferred by reputable organisations, distinguished bodies and clients for achievements in CSR, sustainable solutions, project completion etc.

Please refer this Annual Report for the details of the rewards and recognition achieved by the Company globally during the FY 2021 - 22.

Significant and material orders passed by the regulators or courts or tribunals impacting the going concerns status and Company's operations in future

There are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Insolvency and Bankruptcy Code, 2016

There is no Corporate Insolvency Resolution Process initiated under the Insolvency and Bankruptcy Code, 2016 (IBC).

Other Disclosures

Deposits: Your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), during the year under review.

Contracts or Arrangements with Related Parties: Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act, in the prescribed Form AOC-2 is enclosed as **Annexure V** to the Board's Report;

Annual Return: In accordance with Section 134(3)(a) read with Section 92(3) of the Act, an extract of the annual return in the prescribed format is available on the Company's website in the following link: https://www.wabag.com/compliances;

Secretarial Standards: The Company has complied with applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Conservation of Energy: The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134 of the Act, read with the Companies (Accounts) Rules, 2014, is enclosed as **Annexure VI** to the Board's Report;

Differential rights: The Company has not issued equity shares with differential rights as to dividend, voting or otherwise.

Nature of Business: During the year under review, there was no change in nature of business of the Company or any of its subsidiaries.

Health, Safety and Environmental Protection (HSE)

Your Company is committed to providing a safe, healthy and conducive environment to all of its employees and associates and complied with labour related laws. The details of quality, health, safety, environment initiatives, objectives and achievements made by the Company are detailed in the Management Discussion and Analysis section of this Annual Report.

Sustainability Initiatives

Sustainability is a key mantra for your Company. Globally, your Company is actively involved in providing sustainable solutions for the future that are eco-friendly and renewable in nature. Your Company's contribution towards sustainability is constantly driving in nature as is reflected throughout this report and forms an integral part of our business.

Whistle Blower Policy / Vigil Mechanism

Pursuant to the Act and SEBI LODR, your Company has formulated a Whistle-Blower Policy which serves as a mechanism for its Directors, Employees, Business Associates and other Stakeholders to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal. The vigil mechanism consists of a dedicated email-id. Any Director or employee who becomes aware of an unethical behavior or fraud or violation of code shall report to the Ethics Committee for redressal as provided in the policy. The Audit Committee of the Board oversees the functioning of this policy. The policy is available on the website of the Company www.wabag.com.

Green Initiatives

WABAG stands for sustainability and has showcased its commitment to creating a green earth for over 9 (nine) decades.

WABAG's vision is aligned to the United Nations SDGs 2030 and this has been reflected in the Group's numerous initiatives as highlighted below:

1. **Green Initiatives begin at home:** Over 97% of the total power requirement of our headquarters in Chennai is derived from wind energy, thereby bringing down energy cost by 10% as well as becoming a part of green energy compliant corporate. It is in recognition of this initiative that our headquarters, WABAG HOUSE, has been re-certified as a platinum rated green building by IGBC. Other initiatives taken by your Company are as follows:

    - Paper Waste is being sent to ITC Limited for recycling and the proceeds obtained in the form of stationeries are distributed to local panchayat schools.
    - Batteries, oil waste and e-Waste being disposed for recycling through Pollution Control Board (PCB) authorised re-cycler.
    - Employee friendly initiatives like ergonomics, indoor air quality and LUMO level are maintained as per standards.
    - Conservation on energy and water management has resulted in low Energy and Water Performance Index.
    - Introduction of e-Tender process for sourcing materials in our procurement function as a step towards digitisation.

2. **Digitisation:** Moving forward on its commitment towards a Green Planet for future generations and in furtherance of digitisation commitment to Go-Green initiative of the Government, the Company has been using digital mechanism to conduct Board/ Committee Meeting(s) as per the provisions of law and the agendas, notes and other supporting documents of the Board / Committee meetings are circulated through a secured electronic platform for ease of access to the Directors/Members for their review and consideration, thereby reducing usage of papers to a limited purpose.

    Your Company took various initiatives to reduce the usage of physical Annual Reports by continuously persuading the Members to get registered their e-mail ids with their respective DPs to avail the e-version of Annual Reports and providing e-voting facility to all its Members to enable them to cast their votes electronically on all resolutions set forth in the Notice including attending AGM electronically.

3. **Breathing life into lifelines**: Clean water and rejuvenated rivers are key to enhancing the Green cover on Planet Earth. WABAG has been playing an integral role to ensuring this by collaborating with Governments worldwide. In India particularly, WABAG has emerged as one of the foremost partners of the Government in rejuvenating India's lifeline, Holy River Ganga under the world's largest river cleaning program Namami Gange.

4. **Contributing to a Circular Economy:**

    a) WABAG emerged as a pioneer in promoting resource recovery at wastewater plants in India over 15 years ago – Green Power Generation from Kodungayur Wastewater Treatment Plant, Chennai. The plant has the distinction of completing maximum hours of gas engine run time of 113,000 hours and generated cumulative green power of over 60,000 Mwh and producing over 70,000 Mwh of green power till now. IMAGINE THE SAVINGS ON GRID POWER WHICH IS PRIMARILY DRIVEN BY HIGH POLLUTION THERMAL GENERATION!!

    b) WABAG stands true to its presence in a sunrise sector. It executed a Sewage Treatment Plant (STP) in Sanliurfa, Turkey wherein the sludge drying component was powered by solar energy.

    c) WABAG has been instrumental in making Chennai, the southern metropolis of India, the first city in South India to reuse over 20% of its treated wastewater. Recently, WABAG installed one of the largest and technologically most advanced water reuse plants in Chennai at Koyambedu with a potential to prioritise over 16,425 Million litres of freshwater every year for domestic consumption. Similar plants with an eye for circular economy and rejuvenating the world's natural resources have been built by WABAG over the last 25 years, summing up to around 50 plants with a total capacity of over 2000 Million litres every day.

    d) Your Company believes in creating a clean, green and circular ecosystem (land, air and water) around us for the wellbeing of nature and humanity. Your Company has been focusing on resource recovery at wastewater treatment plants and recently, forayed into Zero Liquid Discharge systems (ZLD) which is evolving into a regulatory requirement and hence, portends very high potential for the business. Primarily, most of the sewage treatment plants wherein the treated sewage after meeting the national standards is discharged to river and the sludge which is generated from sewage is used for further digestion generating biogas thereafter producing clean power to be used for plant operation thus ensuring minimal / nil power requirement used from Grid which is powered primarily by thermal power plants and the sludge is converted into manure for Horticulture / Agriculture. Plants are in operation at JICA funded WWTP in Dinapur, Varanasi, Uttar Pradesh, K&C Valley WWTP in Bangalore, Karnataka and in an ADB funded WWTP at Guheswori, Nepal etc.

With respect to Industrial effluents, for most of the plants, your Company is advising for high quality effluent treatment followed by recycle and reuse of the effluent. This contributes to first, savings of limited freshwater sources which can be used for domestic and industrial sector and second, ensuring water security for the industrial facilities. In some instances, WABAG has helped recover up to 90% of usable water from treated effluents. A few of such marquee projects are set-up in:

- Reliance - Jamnagar, Dahej and Hazira, Gujarat
- IOCL Refineries - Panipat, Paradip and for Nayara (formerly ESSAR Oil)

Currently your Company is executing Zero liquid discharge plant located in NMDC, Nagarnar, which is a land locked area. In this project, after recovery of 90% water, balance water is treated through evaporators, thus ensuring Zero Liquid Discharge which contributes a great deal environmentally.

e) In water scarce areas in the coastal areas, your Company has continued its rich legacy of being a leader in desalination and has continued setting up Desalination plants for Reliance in Jamnagar, for Adani in Mundra, for MRPL in Mangalore, for CMWSSB in Nemmeli, Chennai Tamil Nadu, for SONEDE in Tunisia. In all these projects, a recovery of 45% approx. is achieved with latest energy recovery systems and the concentrated brine is diffused and discharged consciously into the sea at a good distance from the shore without disturbing marine and life and fishing. WABAG has been recognised for promoting a drinking water model for coastal India by its excellence of setting up desalination projects.

Your Company has a dedicated R&D team and is constantly tracking all global developments in the field of desalination with the support of a CTO for desalination. Your Company's desalination systems factor environmental consensus with integration of clean technology, energy efficient systems with possibility of integrating renewable power in line with the Company's vision aligned to UN SDGs 2030 and Kyoto Protocol's Clean development mechanism.

Appreciation

Your Board of Directors placed on record their sincere gratitude and appreciation to all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year. Your Board conveys its appreciation to its valuable Customers, Members, Suppliers, Bankers, Business Associates, Regulatory and Government Authorities for their continued support.

For and on behalf of the Board of Directors

	Milin Mehta	**Rajiv Mittal**
May 27, 2022	Director	Chairman cum Managing Director & Group CEO
Chennai	(DIN: 01297508)	(DIN: 01299110)

ANNEXURE – I

Particulars of Employees

(Information as per Rule 5 (1) & 5 (2) of Chapter XIII, Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the FY 2021-22	a) Mr. Rajiv Mittal, Chairman cum Managing Director and Group CEO – 24.05:1# b) Mr. Milin Mehta, Independent Director – 2.38:1 c) Ms. Vijaya Sampath, Independent Director – 2.38:1 d) Mr. Ranjit Singh, Independent Director – 2.38:1 e) Mr. Amit Goela, Non - Independent Director – 1.79:1* f) Mr. S. Varadarajan, Whole Time Director & Chief Growth Officer – 10.19:1$ g) Mr. Malay Mukherjee, Chairman – 2.38:1@
The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the FY 2021-22 (Refer Note@@)	Chairman cum Managing Director & Group CEO – 20%# Whole Time Director & CGO – 15%$ Other Directors – NIL CEO - India Cluster – 7.5% Chief Financial Officer – NIL ^ Chief Financial Officer – India Cluster – NIL^ Company Secretary – 22% **
The percentage increase in the median remuneration of employees in the FY 2021-22 (Refer Note@@)	16.28%
The number of permanent employees on the rolls of the Company as on March 31, 2022	968
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Not comparable. Refer Note@@
A statement showing the name of every employee of the Company, who if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company	None
Affirmation that the remuneration is as per the remuneration policy of the Company	It is affirmed that the remuneration is paid as per the remuneration policy of the Company

A statement showing the name of top ten employees of the Company in terms of remuneration drawn	The statement containing top ten employees in terms of remuneration drawn and particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in a separate statement as **Annexure I(A)** forming part of this report. Further, the report and the financial statements are being sent to the Members excluding the aforesaid annexure. In terms of Section 136 of the Act, the said annexure is open for inspection at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing AGM and has also been uploaded on the website of the Company www.wabag.com. Any Member interested in obtaining a copy of the same may write to the Company Secretary and the same will be provided to the Member without any charges.
A statement showing the name of every employee of the Company, who if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rupees one Crores and two lakhs	
A statement showing the name of every employee of the Company, who if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rupees eight lakhs and fifty thousand per month	

Note :

[@] Mr. Malay Mukherjee held the position of Non - Executive Chairman and Independent Director until his sad demise i.e., January 29, 2022.

* Mr. Amit Goela, Non - Executive Non - Independent Director, was inducted to the Board on July 19, 2021 and by the Members at the 26th AGM held on August 25, 2021.

[#] On a like to like basis, there is an increase in remuneration of 20% during the year, after a period of 5 (five) years, which is within the overall limits approved by the Members.

[$] On a like to like basis, there is an increase in remuneration of 15% during the year, after a period of 3 (three) years, which is within the overall limits approved by the Members.

[^] During the year, Mr. Skandaprasad Seetharaman was appointed as the CFO effective from June 08, 2021 and Mr. V. Arulmozhi was appointed as the CFO – India Cluster effective from June 01, 2021 and hence remuneration not comparable.

[@@] Not comparable with previous year. During the year, the remuneration was resumed to pre-covid level as there was a voluntary reduction in the overall remuneration opted by few employees including Key Managerial Personnel in the previous years due to COVID-19 pandemic.

** On account of grade change and variable pay.

For and on behalf of the Board of Directors

	Milin Mehta	**Rajiv Mittal**
May 27, 2022	Director	Chairman cum Managing Director & Group CEO
Chennai	(DIN: 01297508)	(DIN: 01299110)

ANNEXURE – II

Form MR-3

Secretarial Audit Report

For the financial year ended March 31, 2022

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,

The Members,
VA TECH WABAG LIMITED
(CIN: L45205TN1995PLC030231)
"WABAG House", No. 17, 200 Feet,
Thoraipakkam - Pallavaram Main Road,
Sunnambu Kolathur, Chennai – 600 117.

I, M Damodaran, Managing Partner of M/s M. Damodaran & Associates LLP, Practicing Company Secretaries, Chennai have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VA TECH WABAG LIMITED** (hereinafter called the 'Company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and Compliance mechanism in place to the extent, in the manner and subject to the reporting made herein:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **March 31, 2022** according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'); including amendment/ re-enactment made thereto;

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 - Not Applicable to the Company during the review period;

e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

f) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR');

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 - Not Applicable to the Company during the review period;

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 - Not Applicable to the Company during the review period.

I have also examined compliance with the applicable Regulations/Clauses of the following:

i. The Listing Agreements entered into by the Company with the National Stock Exchange of India Limited and BSE Limited under The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR) and

ii. Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) – for General Meeting issued by The Institute of Company Secretaries of India (ICSI).

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Circulars, Notifications, Guidelines, Standards, etc. other than Section 135 of Companies Act, 2013 relating to transfer of unspent CSR amount to the specific Bank account, which has been complied by the Company with slight delay.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board and Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice with the consent of all the Directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. As per the minutes of the meetings duly recorded and signed by the respective Chairperson, the decisions of the Board were unanimous and no dissenting views have been recorded.

I further report that there are adequate systems and processes in the Company to commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period,

a. the Company has made an application under Regulation 31A of SEBI LODR to the Stock Exchanges for re-classification of Mr. Shiv Narayan Saraf from Promoter and Promoter Group" category to "Public" category as approved by the Members of the Company and the same is pending with Stock Exchanges for its approval.

b. there was demise of Mr. Malay Mukherjee (DIN: 02861065), Non-Executive Chairman and Independent Director of the Company on January 29, 2022.

c. Mr. Rajiv Mittal, Managing Director & Group CEO (DIN: 01299110) was re-designated as Chairman cum Managing Director & Group CEO vide Board Meeting dated March 26, 2022 with immediate effect.

d. Mr. Amit Goela (DIN:01754804) was appointed as a Director in the category of Non - Executive Non - Independent Director of the Company for a period of 3 (three) years with effect from July 19, 2021.

e. Appointment of Mr. Ranjit Singh (DIN: 01651357) was appointed as a Director in the category of Independent Director of the Company for a period of 3 (three) years with effect from November 11, 2020.

M. DAMODARAN
Managing Partner
M DAMODARAN & ASSOCIATES LLP
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 1374/2021
ICSI UDIN: F005837D000413519

Date : May 27, 2022
Place : Chennai

(This report is to be read with my letter of even date which is annexed as Annexure 1 and forms an integral part of this report)

Annexure 1

To,

The Members,
VA TECH WABAG LIMITED
(CIN: L45205TN1995PLC030231)
"WABAG House", No. 17, 200 Feet,
Thoraipakkam- Pallavaram Main Road,
Sunnambu Kolathur, Chennai – 600 117.

My Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

M. DAMODARAN
Managing Partner
M DAMODARAN & ASSOCIATES LLP
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 1374/2021
ICSI UDIN: F005837D000413519

Date : May 27, 2022
Place : Chennai

ANNEXURE - III

PART - A

Statement containing the salient features of the financial statements of subsidiaries/associate companies/joint ventures

(Pursuant to first proviso to sub-section(3) of Section 129 of the Companies Act 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014 - Form No. AOC -1)

(All amounts in INR Lakhs)

S. No.	Name of the Subsidiary, Country of Incorporation	Financial period ended	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Details of Investment (Except in case of Investment in Subsidiary)	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
1	VA Tech Wabag (Singapore) Pte. Limited, Singapore	March 31, 2022	SGD	2,102.32	2,909.95	9,201.57	4,189.30	-	9,414.59	726.68	(108.19)	618.49	-	100%
2	VA Tech Wabag (Philippines) Inc., Philippines	March 31, 2022	PHP	89.70	2,203.58	25,121.34	22,828.07	-	2,184.39	(230.12)	47.69	(182.43)	-	100%
3	VA Tech Wabag Limited Pratibha Industries Limited JV, Nepal	March 31, 2022	NPR	-	359.46	503.56	144.11	-	687.70	(4.09)	(6.24)	(10.33)	-	NA*
4	Wabag Muhibbah JV SDN. BHD., Malaysia	March 31, 2022	MYR	3,013.77	(4,838.15)	597.81	2,422.19	-	808.47	(59.88)	-	(59.88)	-	70%
5	Wabag Limited, Thailand	March 31, 2022	THB	38.62	(298.30)	3.43	263.11	-	54.06	(27.49)	-	(27.49)	-	49%@
6	VA Tech Wabag Muscat LLC., Oman	March 31, 2022	OMR	177.04	78.95	1,163.73	907.74	-	1,968.96	153.28	-	153.28	-	70%
7	Wabag Belhasa JV WLL, Bahrain	March 31, 2022	BHD	8.95	1,896.81	4,240.14	2,334.38	-	1,459.76	32.76	-	32.76	-	49%
8	Ganga STP Project Private Limited, India	March 31, 2022	INR	-	-	-	-	-	3,378.93	264.39	(66.55)	197.84	-	51%
9	DK Sewage Project Private Limited, India	March 31, 2022	INR	1.00	-	1,310.01	1,309.01	-	-	-	-	-	-	100%
10	Ghaziabad Water Solutions Private Limited, India (Formerly known as Digha STP Projects Private Limited)	March 31, 2022	INR	1.00	(0.36)	0.96	0.32	-	-	0.61	-	0.61	-	100%
11	Kopri Bio Engineering Private Limited, India	March 31, 2022	INR	1.00	(31.84)	273.48	304.32	-	-	(21.79)	-	(21.79)	-	51%
12	VA Tech Wabag GmbH., Austria	March 31, 2022	EUR	840.14	21,659.55	57,848.26	35,348.56	229.71	47,474.16	2,275.84	(209.53)	2,066.31	-	100%
13	VA Tech Wabag Deutschland, GmbH.,Germany	March 31, 2022	EUR	193.44	(193.44)	-	-	-	-	1.54	-	1.54	-	100%

(All amounts in INR Lakhs)

S. No.	Name of the Subsidiary, Country of Incorporation	Financial period ended	Reporting currency	Capital	Reserves	Total Assets	Total Liabilities	Details of Investment (Except in case of Investment in Subsidiary)	Turnover	Profit before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	% of Shareholding
14	Wabag Wassertechnik AG, Switzerland	March 31, 2022	EUR	574.67	1,304.03	11,406.38	9,527.68	-	13,375.55	385.92	(15.12)	370.79	-	100%
15	VA Tech Wabag Brno spol. S.r.o., Czech Republic	March 31, 2022	EUR	62.28	663.16	3,137.11	2,411.67	-	1,628.20	(195.46)	39.43	(156.04)	-	100%
16	Wabag Water Services S.R.L., Romania	March 31, 2022	EUR	8.40	7,897.51	11,005.71	3,099.79	-	11,059.00	2,220.74	(305.56)	1,915.18	-	99.97%
17	VA Tech Wabag Tunisie S.A.R.L., Tunisia	March 31, 2022	EUR	539.41	376.90	7,604.02	6,687.72	-	5,708.59	112.91	(16.94)	95.97	-	100%
18	VA Tech Wabag Su Teknolojisi Ve Tic. A.S , Turkey	March 31, 2022	EUR	1,279.37	(3,335.67)	263.85	2,320.15	-	953.34	81.28	-	81.28	-	100%

Note :

Exchange rate used for Balance Sheet items is the rate as on March 31, 2022 and for Profit and Loss account items, the rate used is the average rate for the FY 2021-22.

*The Company entered into a Joint Venture with Pratibha Industries Limited in Nepal to execute a project. Considering the fact that the group has control over the governing body and over the operating and financial decisions of the JV entity, the same has been treated as a subsidiary.

@Shareholding of WABAG is 49% and economic interest is 90.60%.

Currency	Rate for Balance Sheet Items (in INR)	Rate for Profit & Loss Account items (in INR)
1 SGD	55.826148	55.208393
1 PHP	1.458088	1.487322
1 NPR	0.623128	0.625204
1 MYR	17.977774	17.834190
1 THB	2.270922	2.280020
1 OMR	196.363642	193.426880
1 BHD	200.479533	197.531857
1 BRL	15.884468	13.971785
1 EUR	84.014243	86.538901

PART - B : Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

(All amounts are in INR Lakhs, unless otherwise specified)

Name of Associates/ Joint Ventures, Country of incorporation	VA Tech Wabag and Roots Contracting L.L.C., Qatar	Windhoek Goreangab Operating Company (Pty) Limited, Namibia	Ganga STP Project Private Limited, India	International Water Treatment LLC, Oman *	Thoothukudi Renew Waters Private Limited, India
Latest audited Balance Sheet Date	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022	March 31, 2022
Shares of Associate/Joint Ventures held by the company on the year end					
No. of Shares/Securities	98	33	18265999#	48750	2600
Amount of Investment in Associates/Joint Venture	16.90	229.71	1,827	-	0.26
Extent of Holding %	49%	33%	26%	32.50%	26%
Description of how there is a significant influence	There is significant influence due to percentage (%) of share capital	There is significant influence due to percentage (%) of share capital	There is significant influence due to percentage (%) of share capital	There is significant influence due to percentage (%) of share capital	There is significant influence due to percentage (%) of share capital
Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Networth attributable to Shareholding as per latest audited Balance Sheet	1,096.76	385.77	33.41	(20.06)	1.00
Profit / (Loss) for the year					
Considered in Consolidation	(533.22)	203.99	33.41	(20.06)	-
Not considered in Consolidation	-	-	-	-	-

Note:
*International Water Treatment LLC, Oman is liquidated w.e.f. April 17, 2022.
#Includes Non-Convertible Debentures (NCD).

For and on behalf of the Board of Directors

Milin Mehta
Director
(DIN: 01297508)

Rajiv Mittal
Chairman cum Managing Director & Group CEO
(DIN: 01299110)

May 27, 2022
Chennai

ANNEXURE – IV

Annual report on Corporate Social Responsibility (CSR) activities

(Pursuant to Section 135 of the Companies Act, 2013 read with Rule 8 of The Companies (Corporate Social Responsibility Policy) Rules, 2014)

WABAG implemented the following CSR projects under WABAG-CSR programme, during the FY 2021-22.

On-going Project for FY 2020-21:

Project 01: Usharmukti project at West Bengal

WABAG entered into a MoU with Bharat Rural Livelihood Foundation (BRLF) for implementation of Usharmukti project with two cso partners – Development Research Communication and Service Centre (DRCSC) and Tagore Society for Rural Development (TSRD) in western parts of West Bengal

During the FY 2020-21, your Company classified the said project as On-going Project. Your Company transferred the unspent CSR amount for FY 2020-21 of INR 89.09 Lakhs to Unspent CSR Account towards this project.

The key objective behind this CSR investment was to leverage the MGNREGA funds which would have wider impact in terms of end beneficiaries i.e. poor farmers and tribal in West Bengal.

During the FY 2021-22, your Company has completed the Project and spent INR 100.90 Lakhs (including INR 89.09 Lakhs transferred to unspent CSR account) towards this Project.

On-going Project for FY 2021-22:

Project 01: Livelihood Improvement Plan at Kolkata

Your Company is implementing a livelihood support programme at Kolkata to mitigate the adverse impacts caused to project affected persons (“**PAPs**”) due to building of certain sewage treatment plants in the State of West Bengal (“**Project**”).

Your Company has engaged the services of a Kolkata-based NGO - Gobardanga Seba Farmers’ Samity (GSFS) to implement the Livelihood Support Programme at Kolkata. The NGO commenced their activity on January 07, 2022 and it is progressing as per milestones agreed.

Project 02: Sanitation Programmes at Chennai – New Project

The Sanitation Programme pertains to the Govt. of Tamil Nadu that comprises toilet construction as part of the Chennai City Sanitation Plan. The Greater Chennai Corporation is in the process of identifying and accorded permission to a few location for construction of public toilets, preferably in our office neighbourhood.

Other than On-going Project for FY 2021-22:

Project 01: E- Bio Toilets At Kumbh Mela, Haridwar

At the instance of NMCG, the Company has installed 2 (two) of E-Bio-toilets with electro – oxidation and hydrolysis process followed by bio-decomposing technology at Kumbh Mela, Haridwar. This project consists of 2 (two) technologies in one system, that is, it can treat the waste water generated from the toilet as well as generates manure through E-Bio-toilets. This pilot project is very innovative showcasing the treatment technology.

Other details as required under Section 135 of the Companies Act, 2013 read with Rule 8 of The Companies (Corporate Social Responsibility Policy) Rules, 2014 are as under:

1. Brief outline on CSR Policy of the Company:

Pursuant to Section 135(4) of the Act, the major contents of CSR policy includes your Company’s CSR approach and guiding principles, core Ideology, total outlay for each Financial Year, allocation of resources and thrust areas, formulation of annual action plan, Executing Agency/Partners and Impact assessment.

2. Composition of CSR Committee:

S. No	Name of Directors	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Ms. Vijaya Sampath	Independent Director – Chairperson	2	2
2.	Mr. Rajiv Mittal	Chairman cum Managing Director & Group CEO – Member	2	2
3.	Mr. S. Varadarajan	Whole Time Director & Chief Growth Officer – Member	2	2
4.	Mr. Amit Goela[@]	Non-Executive Non- Independent Director – Member	2	1

[@] Mr. Amit Goela appointed as Member of the Committee w.e.f. July 19, 2021

3. Web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company:

https://www.wabag.com/compliances/ and https://www.wabag.com/csr/

4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

S. No	Financial Year	Amount available for set off from preceding financial years (INR Lakhs)	Amount required to be set off for the financial year, if any (INR Lakhs)
Not Applicable			

6. **Average net profit of the Company as per Section 135(5):** INR 8076.89 Lakhs

7. A) **Two percent of average net profit of the Company as per Section 135(5):** INR 161.53 Lakhs
   B) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** NIL
   C) **Amount required to be set off for the financial year, if any:** NIL
   D) **Total CSR obligation for the financial year (7a+7b-7c):** INR 161.53 Lakhs

8. a) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year (INR Lakhs)	Amount Unspent (INR Lakhs)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
24.56^	136.97	April 30, 2022	-	-	-

^Includes administrative overheads of INR 8.07 Lakhs

b) **Details of CSR amount spent against ongoing projects for the financial year: (In INR)**

(INR Lakhs)

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)	(11)	
Sl. No	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/No)**	**Location of the project**		**Project duration**	**Amount allocated for the project**	**Amount spent in the current financial Year**	**Amount transferred to Unspent CSR Account for the project as per Section 135(6)**	**Mode of Implementation - Direct (Yes/No)**	**Mode of Implementation - Through Implementing Agency**	
				State	**District**						**Name**	**CSR Registration Number**
1	Livelihood Support Programme in our Kolkata Project Neighbourhood	I & IV	No	West Bengal	Kolkata	4 years	90.00	1.93	78.97	No	Gobardanga Seba Farmers' Samity	CSR00014161
2	Sanitation Programmes at Chennai – New Project	I	Yes	Tamil Nadu	Chennai	4 years	58.00	-	58.00	No	Gramalaya	CSR00001033
	Total								**136.97**			

c) **Details of CSR amount spent against other than ongoing projects for the financial year:**

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	**Name of the Project**	**Item from the list of activities in Schedule VII to the Act**	**Local area (Yes/No)**	**Location of the project**		**Amount spent for the project (INR Lakhs)**	**Mode of implementation - Direct (Yes/No)**	**Mode of implementation - Through implementing agency**	
				State	**District**			**Name**	**CSR Registration Number**
1	E- Bio Toilets At Kumbh Mela	I	No	Uttarakhand	Haridwar	2.74	No	Amin Welfare Trust	CSR00001861
	Total					**2.74**			

(d) **Amount spent in Administrative Overheads:** INR 8.07 Lakhs

(e) **Amount spent on Impact Assessment, if applicable:** Not Applicable

(f) **Total amount spent for the Financial Year (8b+8c+8d+8e):** INR 24.56 Lakhs*

(g) **Excess amount for set off, if any**

Sl. No.	Particular	Amount (INR Lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	161.53
(ii)	Total amount spent for the Financial Year	24.56
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

9. (a) **Details of Unspent CSR amount for the preceding three financial years:** **(INR Lakhs)**

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under Section 135(6)	Amount spent in the reporting Financial Year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
1	2020–2021	89.08	89.08	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(INR Lakhs)

(1) Sl. No.	(2) Project ID	(3) Name of the Project	(4) Financial Year in which the project was commenced	(5) Project duration	(6) Total amount allocated for the project	(7) Amount spent on the project in the reporting Financial Year	(8) Cumulative amount spent at the end of reporting Financial Year	(9) Status of the project - Completed / Ongoing
1	FY 31.03.2021_1	Usharmukti Project	2020-21	4 years	249.43	11.82	249.43	Completed

*Includes amount spent during the year for Usharmukti Project as covered in point 9 (b).

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details):

Not Applicable

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per Section 135(5).

During the FY 2021-22, the Company has spent INR 24.56 Lakhs on various projects and transferred the unspent amount of INR 136.97 Lakhs to the Unspent CSR Account as per CSR Rules. The Company has successfully completed the Usharmukti Project in the previous year and during the current year the ongoing projects are Livelihood Support Programme at Kolkata and Sanitation Programmes at Chennai. The Unspent CSR amount will be spent on these ongoing projects in the coming years. Deatils of these projects are available in this Annexure.

For and on behalf of the Board of Directors

Vijaya Sampath
Chairperson-CSR
(DIN: 00641110)
United States of America

Rajiv Mittal
Chairman cum Managing Director & Group CEO
(DIN: 01299110)
Chennai

May 27, 2022

ANNEXURE – V

Particulars of contracts/arrangements made with related parties

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 - Form No. AOC-2)

This form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis

a.	Name(s) of the related party and nature of relationship	Not applicable since there were no contracts or arrangements or transactions entered into during the year ended March 31, 2022, which were not at arm's length basis.
b.	Nature of contracts/arrangements/transactions	
c.	Duration of the contracts/arrangements/transactions	
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	
e.	Justification for entering into such contracts or arrangements or transactions	
f.	Date (s) of approval by the Board	
g.	Amount paid as advances, if any	
h.	Date on which the resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangements or transactions at arm's length basis

a.	Name(s) of the related party and nature of relationship	Not applicable since there were no material contracts or arrangements or transactions require approval for the year ended March 31, 2022.
b.	Nature of contracts/arrangements/transactions	
c.	Duration of the contracts/arrangements/transactions	
d.	Salient terms of the contracts or arrangements or transactions including the value, if any	
e.	Date(s) of approval by the Board, if any	
f.	Amount paid as advances, if any	

All related party transactions were in the ordinary course of business and on arm's length basis and were approved by Audit Committee of the Company.

For and on behalf of the Board of Directors

May 27, 2022
Chennai

Milin Mehta
Director
(DIN: 01297508)

Rajiv Mittal
Chairman cum Managing Director & Group CEO
(DIN: 01299110)

ANNEXURE – VI

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

(Particulars pursuant to the Companies (Accounts) Rules, 2014)

(A) Conservation of energy

Annual Energy consumption has increased from 9.56 lakhs units in FY 2020-21 to 10.46 lakhs units in FY 2021-22. An increase of 0.90 lakh units means, an overall percentage increase of 9.4%. This marginal increase is due to the lockdown period during FY 2020-21. However compared to FY 2019-20, we achieved a reduction of 13.38% in energy consumption due to our Energy conservation measures.

(i) The steps taken or impact on conservation of energy:

Energy Conservation measures adopted at WABAG

a. Effective planning and implementing of 52-week maintenance schedule with continuous monitoring which leads not only to energy conservation but also on the increased life cycle of equipment.

b. Integrated building management system to remotely monitor and control all utility equipment for better energy conservation.

c. Operation of Active Harmonic Filter to improve Power quality and increasing lifecycle of equipment.

(ii) The steps taken by the Company for utilising alternate sources of energy:

Entered into a wheeling agreement with wind power generating company and obtained an overall 81% wind power against the total annual consumption during the year.

(iii) The capital investment on energy conservation equipments:

Nil.

B) Technology absorption-

(i) The efforts made towards technology absorption;	The details on R&D efforts and technology absorption are disclosed in the Management Discussion & Analysis and in story section forming part of this report
(ii) The benefits derived like product improvement, cost reduction, Product Development or import substitution;	
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
(a) The details of technology imported;	
(b) The year of import;	
(c) Whether the technology been fully absorbed;	
(d) If not fully absorbed, areas where absorption has not taken;	
(iv) The expenditure incurred on Research and Development	INR 337 Lakhs

(C) Foreign exchange earnings and Outgo

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.

(INR Lakhs)

	FY 2021-22	FY 2020-21
Earnings in Foreign Currency	78,506	50,469
Expenditure in Foreign Currency	39,884	22,281

For and on behalf of the Board of Directors

May 27, 2022
Chennai

Milin Mehta
Director
(DIN: 01297508)

Rajiv Mittal
Chairman cum Managing Director & Group CEO
(DIN: 01299110)

Management Discussion and Analysis

Global Water Overview

Water, a topmost priority for life, is an indispensable element for global development. The availability of this resource is finite as well as pivotal for life. This shared resource is infinitely valuable and cannot be taken for granted and the pandemic waves have re-established the fact more strongly. Despite this, reliable water supply is not accessible to a quarter of the population globally. *(Source: World Bank Report)*

Trends in the global water sector

a) **Global warming:** Leading to extreme situations of either floods or droughts

b) **Burgeoning population:** Increasing number of people living in water deficit areas

c) **Rapid urbanisation:** Straining the water resources and ecosystems

d) **Emergence of mega cities**: It adds to the challenge of extending water and sanitation services to about 1 billion people living in informal settlements not served by water grids

e) **Old and depleted infrastructure:** This is creating pressure to accelerate investments in more advanced markets and revive the water infrastructure

Where are we heading?

Only 0.5%

fresh water is available on this planet

(Source: Livemint, https://www.livemint.com/news/world/5-billion-people-could-face-water-shortage-by-2050-un-11633503574300.html)

2/3rd of global population

lives under extreme water stress for at least one month per year

(Source: https://www.unicef.org/wash/water-scarcity)

2x

faster increase in global water withdrawals vs. the global population in the last century

(Source: https://www.unwater.org/water-facts/scarcity/)

1/3rd of global population

lack access to safe drinking water

*(Source: https://www.who.int/news/item/18-06-2019-1-in-3-people-globally-do-not-have-access-to-safe-drinking-water-unicef-who#:~:text=Some%202.2%20billion%20people%20around,lack%20basic**%20handwashing%20facilities.)*

5+ billion

people are expected to face water shortage by 2050

(Source: Livemint, https://www.livemint.com/news/world/5-billion-people-could-face-water-shortage-by-2050-un-11633503574300.html)

USD 114 billion

of minimum investments are required for universal access to water, sanitation and hygiene

(Source: https://sdg.iisd.org/commentary/guest-articles/bridging-the-financial-gap-investing-in-sdg-6/)

200 million hours

are spent by women worldwide to collect water

(Source: Downtoearth publishing)

https://www.downtoearth.org.in/blog/water/india-s-water-crisis-it-is-most-acute-for-women-78472#:~:text=India%20is%20water%2Dstressed%20due,Board%20data%20(from%202017)

By 40%

demand for freshwater globally will surpass the supply by 2030

(Source: https://www.unep.org/news-and-stories/press-release/half-world-face-severe-water-stress-2030-unless-water-use-decoupled)

1 in 4

cities globally experiences water insecurity

50-70%

anticipated increase in urban water demand over the next three decades

>3 billion

people rely on transboundary river basins to meet their requirements

20-30%

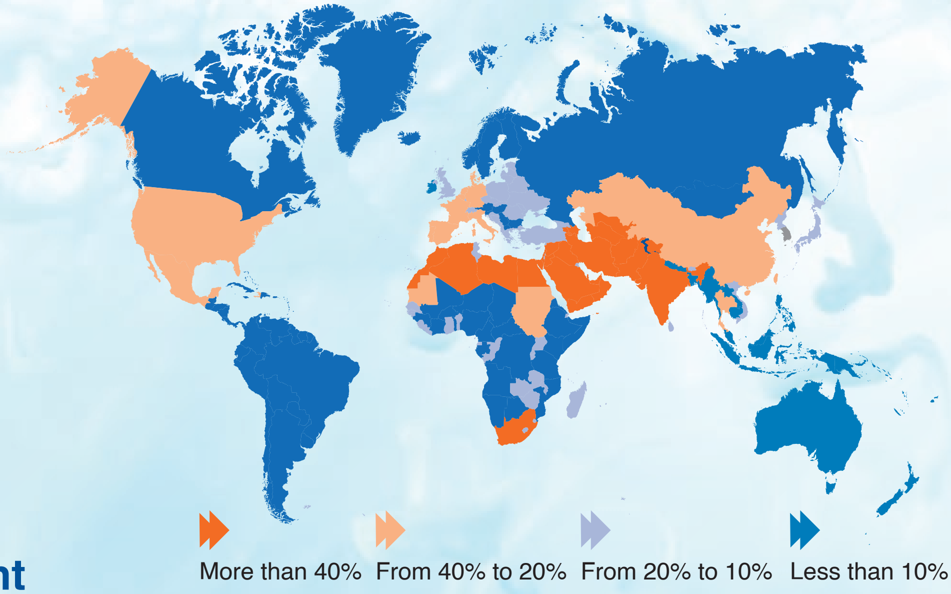
global demand for water by 2050

(Source: World Bank Document, Global water security and sanitation partnership)

What next?

As the world grapples with acute water crisis along with climate change-related challenges, the Water Resources Group, a part of the World Bank is collaborating and entering in to engagements with countries globally to arrest the impact. They are working towards creating a transformation and recommending ways to improve, manage and effectively respond to this situation.

Water withdrawal as percentage of total available water by 2025

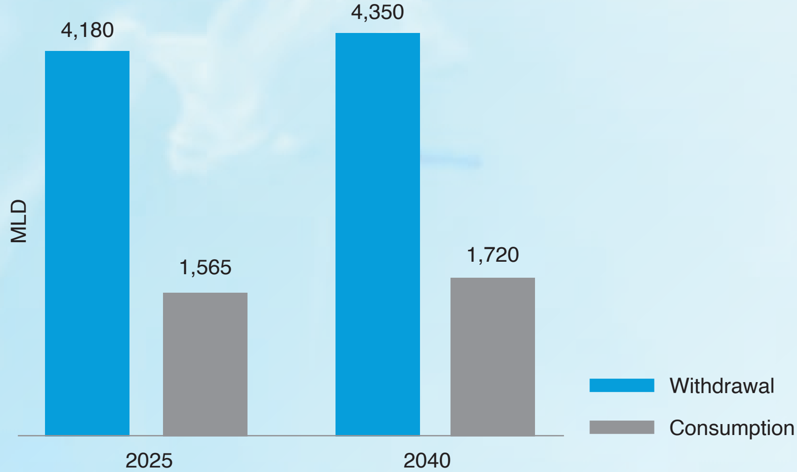


Global Water Treatment Industry

We are in a world where demand for water 'was', 'is' and 'will' continue to overpower the supply. The need of the hour is to use the resource wisely and responsibly to ensure its availability to generations ahead. With the rising population and irregular rainfall, the natural processes of purifying wastewater are overloaded. This has led to designing facilities to treat the wastewater through various methods and put it back in the ecosystem. The global wastewater treatment plant market is estimated to be USD 125 billion in 2021 and is expected to rise to USD 179 billion at a CAGR of 6% over 2021-2026.

(Source: Global wastewater treatment plan report, Arizton)

Projected water withdrawal and consumption (MLD)



(Source: IEA, Global Smart water management report)

Where are we heading?

~80%

of the entire industrial and municipal wastewater is released untreated into the environment

(Source: UN Water,https://www.unwater.org/water-facts/quality-and-wastewater/)

107 countries

are not on track in managing water resources sustainably by 2030

(Source: Water Resources Group Report)

Global Wastewater Market

Wastewater Management

=

Reducing pollution at the source + **Removing contaminants** + **Reusing reclaimed water** + **Recovering useful by-product**

=

Generating benefits to the society, community and environment leading to the overall well-being of the ecosystems and sustainable development.

The major driving factors of growth apart from irregular rain patterns and urbanisation includes stringent regulations for effluent treatment plants and increasing utilisation of bottled water.

(https://www.fortunebusinessinsights.com/water-and-wastewater-treatment-market-102632)

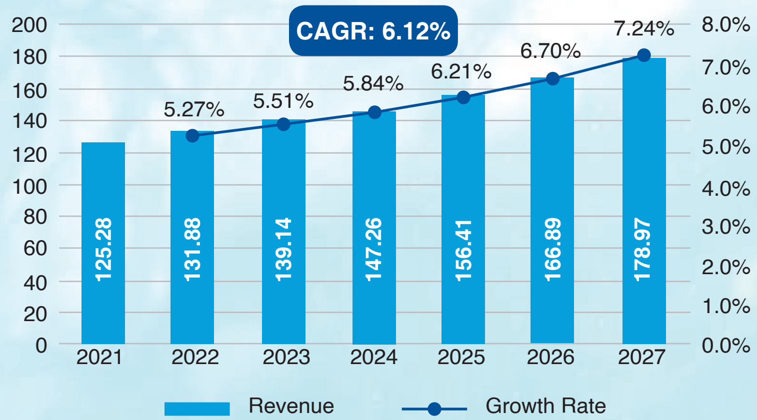
Where are we heading?

1.8 billion

People likely to live in absolute water scarce areas by 2025

(Source: Food and Agriculture Organisation of the UN, https://www.fao.org/land-water/water/water-scarcity/en/)

Global Wastewater Treatment Plant market 2021-2027



(Source: Arizton)

Porrentruy WWTP, Switzerland

Sidi Ali Ben Oun WWTP, Tunisia

Regional growth drivers

Asia-Pacific

- Fastest-growing market with 61% of the global population residing in this region, leading to rapid industrialisation and urbanisation
- Large-scale investments in India, Bangladesh, China, and South-East Asian countries to improve water quality and sanitation
- Focus on developing activated sludge process-based treatment plants to meet the environmental norms

(Source: https://www.fortunebusinessinsights.com/water-and-wastewater-treatment-market-102632

https://www.prnewswire.com/news-releases/wastewater-treatment-market-size-is-estimated-to-reach-us-462-49-bn-by-2030--cagr-7-41-astute-analytica-301462434.html)

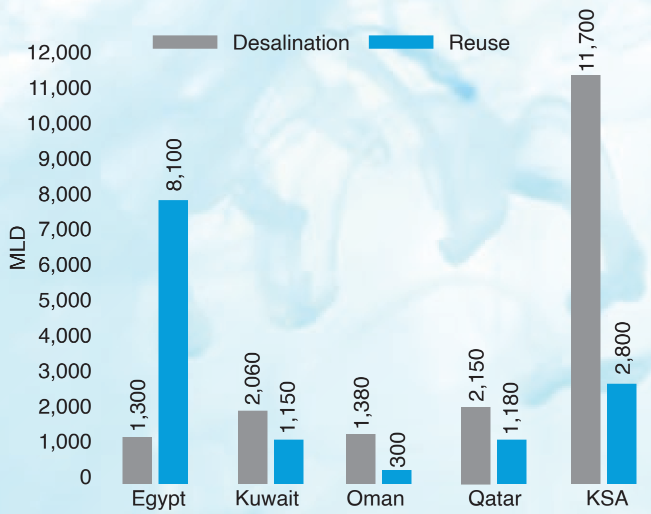
Middle East and Africa (MEA)

- Key markets for desalination projects
- The investments for wastewater treatment through desalination are projected to reach USD 300-400 billion in the coming future vs. USD 104 billion at present

(Source: Trade Arabia https://www.zawya.com/en/projects/mideast-spearheading-32bln-global-desalination-market-psz92m89)

AMAS STP, Bahrain

Installed desalination and reuse capacity in MEA (MLD)



(Source: Desaldata.com)

Water facts of Kingdom of Saudi Arabia

Triple

capacity of desalination over the next five years by private players in Kingdom of Saudi Arabia

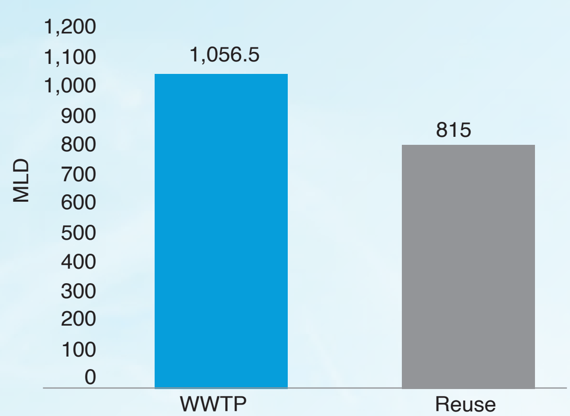
Demand to multiply on account of Green H_2 production

Vision 2030 - Catalyst for reform including infrastructure sector

1,700 MLD

of Wastewater Reuse project under conceptualisation plans to irrigate 7.5 million trees in Kingdom of Saudi Arabia

Forecasted future capacity (MLD) by 2026 in the Kingdom of Saudi Arabia



(Source: Arizton Report)

Water facts of Egypt

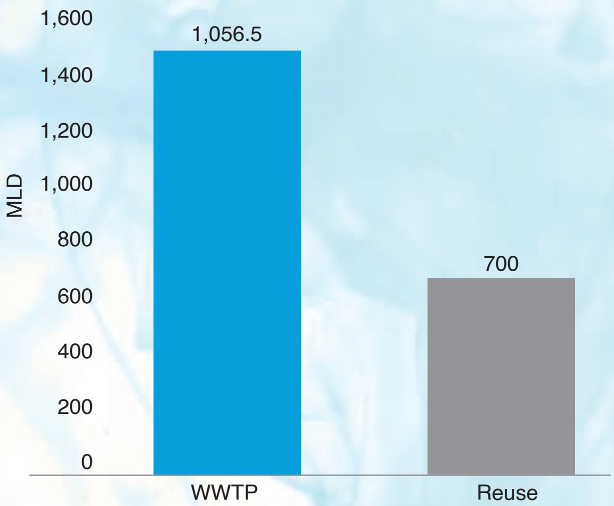
USD 2.5 billion

earmarked for a capacity of 2.8 million m^3 by 2025

6.4 million m^3

capacity expansion from 9,14,000 m^3/d

Forecasted future capacity (MLD) by 2026 in Egypt



(Source: Arizton Report)

Global Desalination Market

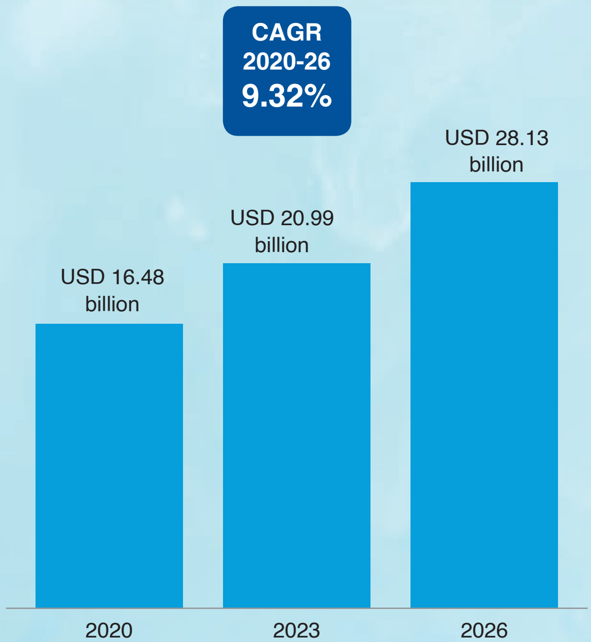
The Desalination market is growing at a rapid pace, valued at USD 16.5 billion in 2020, is likely to reach USD 28.1 billion by 2026 at CAGR of 9.32% over 2020-26.

Factors leading to the growth of the desalination market include:

- Declining freshwater resources
- Stringent environmental regulations
- Fast-paced industrialisation and rising need for effective wastewater management systems
- Rapidly growing sectors like agriculture, oil and gas, powerpaper and pulp requires high amount of water
- Rising investments
- Technological developments in the Desalination industry place emphasis on several objectives such as growing the freshwater yield, lessening the production of brine, ensuring energy efficient systems and its appropriate disposal
- Projected water demand of 25 billion m^3 by 2050 for H_2 production
- Growing adoption in coastal regions for municipal and industrial use

(Source: https://energypost.eu/hydrogen-production-in-2050-how-much-water-will-74ej-need/)

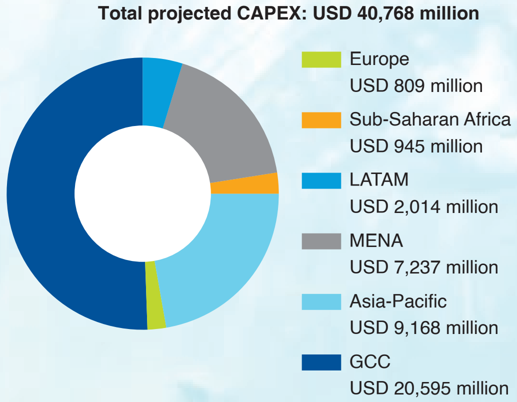
Desalination segment growth



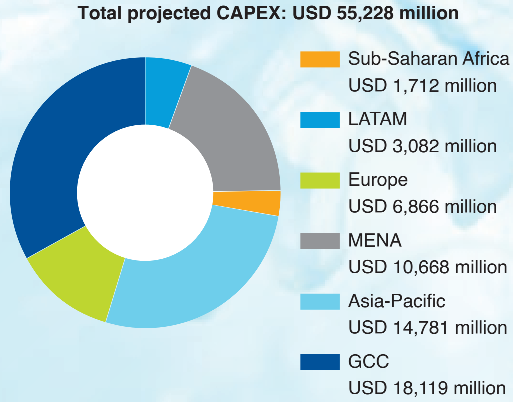
(Source: Arizton Report)

El Raswa WTP II, Egypt

Projected CAPEX for desalination (2022-26)



Projected OPEX for desalination (2022-26)



2 fold

increase in the growth of Desalination market

USD 15 billion

earmarked by Egypt for desalination program over 2021-2050

17

greenfield desalination plants announced by 2025

22%

Of the total Desalination market is driven by APAC

49%

of the total Desalination market is driven by Middle East and Africa region

MRPL SWRO Plant, Managalore,India

Water trends across regions

Asia-Pacific Region

The Asia Pacific region has achieved a remarkable growth in economic and social welfare over the last few decades. However it has not achieved water security, a cornerstone for inclusive and sustainable growth. The region has been burdened with water related challenges along with natural disasters devastating human welfare and growth.

Quick facts

More than half of the global population resides in Asia

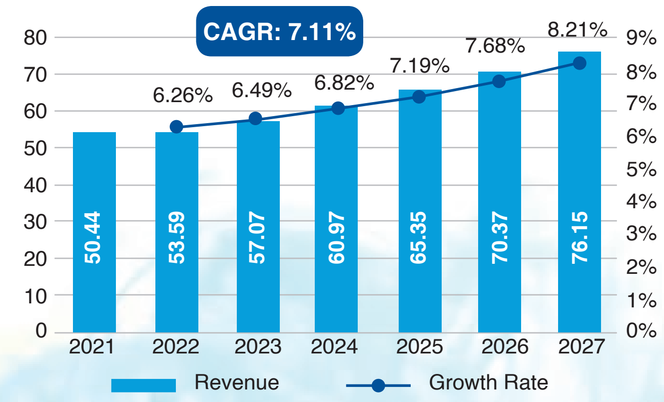
Population is likely to rise by 500 million people over the next 10 years

Urbanisation to reach 60% over the next 10 years

Fresh water availability per person is 3,920 cu metres per person vs. global average of 7,000 cu metres

(https://asiasociety.org/asias-next-challenge-securing-regions-water-future-0)

APAC Wastewater Treatment Plant market 2021-2027



(Source: Arizton Report)

Strategies for water security

The Asian Development Bank, World Bank, JICA and other large institutions through continuous thought leadership is developing policies and tracking the water security progress in the region. The vision is to have net zero emission by 2050 and work towards building solid water secure foundation.

The Asian Development Bank is focusing on the following:

(i) Rural household water security (water and sanitation)

(ii) Economic water security (water to sustainably satisfy economic growth)

(iii) Urban water security (water and sanitation and flood management)

(iv) Environmental water security (catchment and aquatic health and environmental governance)

(v) Water-related disaster security (resilience against droughts, floods, and storms)

A step towards water security for tomorrow

- The **Delhi Government** plans to adopt water treatment model, similar to that of Singapore. The water from **Sewage Treatment Plants** will be treated as per quality levels and then released in the river Yamuna.
- **India** aims at revival of 200 water bodies in the capital and increase the groundwater level in the surrounding areas.
- The Australian Government announced its contribution of USD 10 billion to support cooperation between **Australia and India** on urban water security.

  (https://www.linkedin.com/pulse/ensuring-water-security-what-indian-government-doing-neeraj-chauhan/)
- By 2030, **Malaysia** is planning to invest towards reviving and building new water infrastructure with a tentative investment of USD 3.6 billion.
- The sewage sector in **Malaysia** is likely to attract investments to the tune of USD 240 million for new projects.

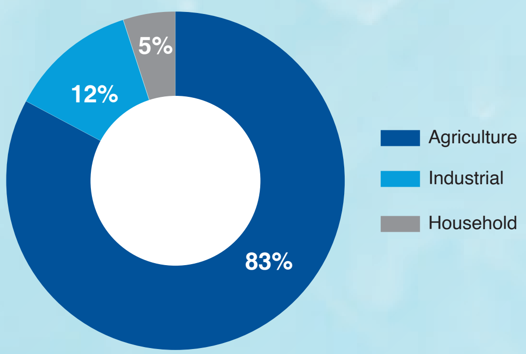
  (Source: Royal Danish Embassy in Malaysia) (https://www.greendkinsea.com/post/malaysia-is-sourcing-alternative-water-financing-for-long-term-sustainability)
- The **Philippines** Government has chalked out Philippine Water Supply and Sanitation Master Plan sewage sector which entails a total over Peso 734 billion over 2020-2030 to avail water universally to all and meet the development needs.

  (Source: BWorld) https://www.bworldonline.com/water-sector-needs-p1-t-investment-until-2030/
- **Mongolia** plans to invest USD 300 million for wastewater management for power plants.
- The World Bank is supporting **Bangladesh** with USD 200 million to help 3.6 million people with access to hygiene and clean water.

India's Waterful Facts

India is a land of exponential growth, a land of one of highest working population below 35 years, India is one of the fastest-growing economies of the emerging world and also ***the leading largest extractor of groundwater globally to the tune of 25%***. This is on account of an imbalance of water's demand and supply, inefficient water management, climate change and burgeoning population and out of control pollution. If the consumption rate continues at the current level, only half of the water than required will be available by just the next 10 years.

Agri dominant usage of water across the country



(Source: Yes Securities)

4%

of freshwater resources available against 16% of global population residing in the nation

80%

of India's freshwater is used for agriculture

(Source: IDR)https://idronline.org/10-things-you-need-to-know-about-the-water-crisis-in-india/)

60%

of India's districts have reported over exploitation of groundwater putting 70% of the rural household at risk

https://www.downtoearth.org.in/blog/water/india-s-water-crisis-it-is-most-acute-for-women-78472#:~:text=India%20is%20water%2Dstressed%20due,Board%20data%20(from%202017)

63%

of water used for irrigation is groundwater and only 26% of canals are used

45%

of the cultivable land in India is used to produce water intensive crops

90% of rural and 50% urban water requirements

are met by goundwater, which has led to excessive contamination, putting India's rank in water quality index at 120 out of 122 countries

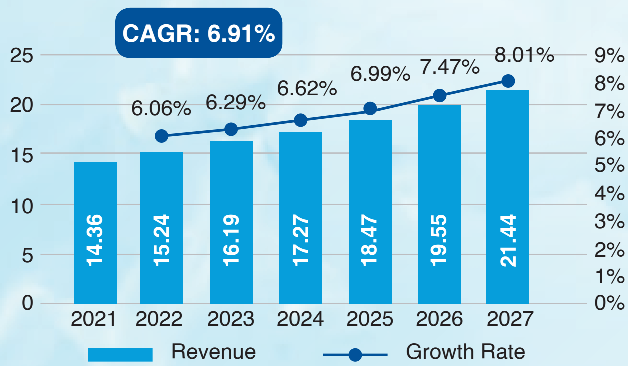
https://idronline.org/10-things-you-need-to-know-about-the-water-crisis-in-india/

Wastewater generation

As per the latest report of Central Pollution Control Board, India has generated 72,368 MLD of sewage. Out of this, only 20,236 MLD was treated. In fact the total capacity installed can be utilised to treat only 28% of sewage generated. Owing to this need this segment is projected to witness strong growth. The Wastewater Treatment Plant market size is estimated to be USD 15 billion in 2021 witnessing a CAGR of 6.9% over 2021-26 to reach the size of USD 21 billion.

(Source: Arizton Report)

Wastewater Treatment Plant market in India



(Source: Arizton Report)

The Government is taking various initiatives in the water management space. For an *Atma Nirbhar Bharat* or a Self-reliant India, water security is of utmost importance. The Government has launched a slew of programmes to ensure water security and water sustainability.

Polgahawela WTP, Sri Lanka

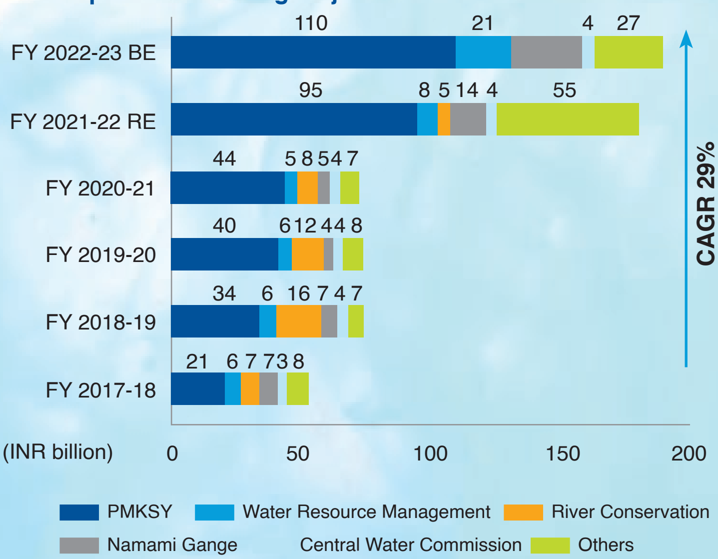
The Government allocation to Jal Shakti Ministry has increased by 25% to INR 86,189 crore in 2022-23. The various initiatives are as follows:

Namami Gange Programme

Salient features

- Objective of effective abatement of pollution, conservation and rejuvenation of National River Ganga
- 8 states, 47 towns & 12 rivers covered under the project
- Expansion of coverage of sewerage infrastructure in 118 urban habitations on banks of Ganga

Department of Ganga rejuvenation



RE: Revised Estimated, BE: Budget Estimated

(Source: Budget 22-23, YES Securities)

The Progress Report

~INR 30,000 crore

spent under the NMCG programme till 2021

(Source: https://newsonair.com/2021/07/12/namami-gange-6-years-of-transforming-and-rejuvenating-river-ganga/)

366 projects

covered under the mission

177 projects

completed and operational since inception

75

sewage projects completed across 9 states

5,023 MLD

sewage capacity installation is underway

(Source: https://nmcg.nic.in/NamamiGanga.aspx)

AMRUT 2.0

(Atal Mission for Rejuvenation and Urban Transformation)

Salient features

- Aims to provide household water tap connections including the 500 cities under AMRUT and its ongoing projects

(https://pib.gov.in/PressReleasePage.aspx?PRID=1766973#:~:text=SBM%2DU%202.0%20envisions%2 to,no%20untreated%20used%20water%20is)

The Progress Report

2,99,000 crore
outlay to the scheme

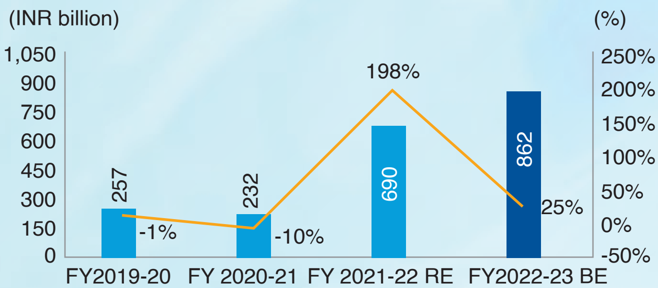
4,700
statutory towns and households covered

Jal Jeevan Mission

Salient features

- Mission to provide safe and adequate drinking water through individual household tap connections by 2024 to all households in rural India
- Development of piped water supply infrastructure, reliable supply source and treatment plants
- Recharge and reuse through grey water management water conservation
- Rain water harvesting

Massive INR 862 billion allocation to Ministry of Jal Shakti in budget FY 2022-23



RE: Revised Estimated, BE: Budget Estimated

(Source: Union Budget, YES Securities)

The Progress Report

48%
rural tap connections achieved by March, 2022
(Source: JJM)https://jaljeevanmission.gov.in/)

5.6x
increase in number of schools receiving piped water supply under the Har Ghar Jal initiative
(Source: JJM Twitter handle)

INR 60,000 crore
earmarked in the budget 2022-23 to provide potable drinking water to 3.8 crore household
(Source: https://www.moneycontrol.com/news/business/budget/budget-2022-fm-sitharaman-sets-aside-rs-60000-crore-for-jal-jeevan-mission-7997881.html)

INR 67,221 crore
allotted to The Drinking Water and Sanitation Department in the union budget FY 2022-23

8.9 crore
rural households covered under mission Har Ghar Jal

Swachh Bharat Mission (Urban) 2.0

Salient features

- Commitment to make all cities garbage free and water secure by 2030

The Progress Report

INR 1,41,600 crore
budget outlay

9 cities
certified as Water and involves wastewater treatment and optimum reuse

(Source: https://pib.gov.in/PressReleasePage.aspx?PRID=1766973#:~:text=SBM%2DU%202.0%20envisions%20to,no%20untreated%20used%20water%20is)

National River Conservation Plan

Salient features

- The plan aims at ensuring the improvement of water quality of the rivers and executing pollution abatement works

The Progress Report

34 rivers
covered under the plan

16 states
covered under the plan

2,677 MLD
pollution load tackled

To ensure a circular economy and sustainable industrial renaissance proactive measures are designed to help mitigate challenges. Apart from the Government initiatives, there are a host of other initiatives ranging from desalination plants, modernisation of STPs, one city one operator programme to reuse and recycling policies. All are directed towards efficiently managing and integrating functions to safeguard against water-related hazards.

(Source: NRCD, https://nrcd.nic.in/#:~:text=The%20National%20River%20Conservation%20Directorate,lakes%20and%20wetlands%20in%20the)

Middle East & Africa (MEA)

Middle East and Africa are the most vulnerable regions when it comes to water scarcity. Of the 17 most water-stressed countries of the world, MEA holds the 11th position. Water scarcity combined by inadequate water management initiatives, rapid depletion of groundwater and impact of climate are adding on to the pressure. Additionally, conflicts in Syria, Yemen and Sudan, migration of people from rural to urban areas have also added to the water scarcity.

Marafiq STP, KSA

9 out of 10

children in MENA region live in extremely high-water stress areas

70%+

GDP of the region is estimated to be in areas with high surface water stress vs. 22% as the global average

Renewable freshwater supply is expected to fall by 1/3rd by 2025 from levels recorded in 1970

Urbanisation is anticipated to grow at double the rate

58%

rise in demand of water by 2050

~80%

of wastewater remains untreated and passed on to the environment

(Source: Unicef)

A step towards water security for tomorrow

Recycling opportunity

- **82%** of the region's wastewater is not reused, harnessing this resource would generate a new source of clean water.
- **84%** of all wastewater collected in Gulf Cooperation Council countries (Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates) is treated to safe levels, but only 44% goes on to be reused
- **USD 2.5 billion** is allocated by the Government of Egypt towards new desalination policy
- **Egypt sets USD 50 billion** water management programme which can be further increased to USD 100 billion till 2037; this programme aims at improving water quality, developing new water resources, and rationalising the use of available resources

(Source: World Bank, FAO, Bloomberg)

Europe

The European market is moving one step ahead with smart water management programs. The market valued at USD 2.1 billion is estimated to reach USD 4.8 billion by 2025 registering CAGR of 12.9% over 2018-2025. EU is witnessing steady increase in demand for water on account of growing population. The nation has always been proactive in managing resources. However, climate changes, depleting groundwater have elevated the risk of water unavailability. The EU has released a regulation on minimum requirements for water reuse in 2020.

Targets

- Harmonising minimum water quality requirements for safe reuse for agricultural irrigation
- Increased efficiency of water utilisation
- Reduction of water stress and drought
- Contribution to food safety and environmental protection
- Creating an instrument for tackling climate change

The per capita renewable water resources has dropped by 24%

Water scarcity affects 17% of the EU

A step towards water security for tomorrow

- **USD 150 million**
  invested towards better potable water and wastewater system
- **USD 1.2 billion**
  upgrade programme to enable Elimination of Micropollutants

Lake water works Champ Bougin, Neuchatel, Switzerland

ESG focused - Sustainable & Responsible Business Practices

Environment

- Providing **Safe Potable Water** through our **WTPs & Desalination** facilities
- Ensuring **healthy ecosystem** though our **Wastewater Treatment & Water Recycle** facilities
- Reducing **Carbon footprint** by generating **Green Energy**

Social

- Employing & training **1,500+ Water professionals** across the globe
- Implemented **22 CSR projects** with sectoral focus on Water, Sanitation and Skill Development
- Created over **17,000 Green jobs**

Governance

- Water & Environment integrated in **strategic business plan**
- Alignment to **UN SDG 6** (Clean Water & Sanitation for all)
- **Board level oversight** on ESG-related issues through Executive Committee

Guheshwori WWTP, Nepal

VA TECH WABAG

VA TECH WABAG is one of the few companies, consciously acting towards the circular economy and directing all our efforts to resolve the nature's cry to save water. With a legacy spanning over 90+ years, the Company stands tall as a diverse water technology player, offering a spectrum of comprehensive solutions across diverse sectors.

With strong R&D, backed by cutting edge technology, we have evolved as system specialists. We provide engineering, procurement, construction, and O&M services, meeting the critical needs of the municipal and industrial segments.

Till date, we have executed 6,000+ projects across 25+ countries serving the Indian sub-continent, Middle East & Africa, Europe region and South-East Asian markets. We have been able to touch over 500 million lives, by meeting their need for clean and safe water.

RE
The 6 R's of our philosophy

- **THINK** twice and be mindful of resource use
- **USE** water that needs minimal or no treatment for different purpose
- **CYCLE** resources and waste
- **COVER** valuable output from using waste as key input
- **STORE** water to source at the same or better quality
- **JUVENATE** bringing the water resources back to their original form

Embarking on the road to progress across

Clusters

India cluster

India › Bangladesh › Cambodia › Indonesia › Laos › Malaysia › Myanmar › Nepal › Philippines › Singapore › Sri Lanka, › Thailand › Vietnam

Middle East and Africa (MEA) cluster

Kingdom of Saudi Arabia › Bahrain › Egypt › Libya › Nigeria › Oman › Qatar › Tanzania › Namibia › Tunisia › UAE

Europe cluster

Austria › Czech Republic › Romania › Switzerland, › Turkey › Russia

Competencies

Credible

- Proven track record of handling large and complex projects
- Enjoys leadership position in various key markets in water management services
- Among the leading players, with significant market share in the advanced technology segment
- Ground-breaking innovations with several patents to its credit

Capable

- Presence across various business formats EPC, DBO, BOOT, O&M, HAM and One City One Operator
- Timely project execution
- Experienced and highly qualified team, along with the Austrian unit with a strong execution track record and sound technologies with an international approach.
- R&D Management Competence Centre including special R&D projects (e.g. removal of antimicrobial resistance)
- Emphasis on providing EPC and O&M services to the municipal and industrial clients primarily across oil & gas sector
- Expertise in providing complex water technology solutions to the oil & gas and food & beverages sector
- Expertise on conventional power plants and also nuclear power plants, especially for water solutions for the secondary circle

Competitive

- Offers world class technology at competitive prices
- A unique mix of talented professional and energetic team
- Offers customised total water solutions
- Rich experience in operating and maintaining refinery and industrial ETPs

Confident

- Efficient human resources team aligned with the common goal and essence of ONE WABAG
- Proficiency in pre-treatment systems, demineralisation, condensate polishing, ion exchange technology, cooling water treatment, filtration and neutralisation

Collaborative

- Leveraging opportunities across the water management value chain with capability, competency and reliability
- Serves as a central point, catering to industrial and municipal clients projects across countries


Koyambedu TTRO Plant, India

Building Excellence with Experience

A glimpse of few of our flagship projects

- Integrated ETP for the Refinery and Petro Chemical Complex RAPID at Johor, Malaysia, **one of the largest IETPs worldwide**, treating in total over 1,02,000 m^3/d.
- 45 MLD Koyambedu TTRO Plant, Chennai, **the first Water Reclamation Plant** to reuse municipal treated waste water for industries in south India.
- Turnkey completion of 400 MLD **Drinking Water Treatment Plant**, Kavaklidere, Izmir, Turkey.
- Zermatt WWTP – **underground MBR** for famous Swiss-ski tourism.
- **World's first** Wastewater Treatment Re-use Plant, converting effluent into ultra-pure demineralised water at Panipat.
- **World's first** Purified Terephthalic Acid (PTA) plant, along with other petrochemical effluent treatment, through UASB process followed by MBR UFRO Wastewater recovery for reuse at Reliance Dahej.
- **Asia's largest** Wastewater Treatment plant for the 20 million tonne Reliance Refinery at Jamnagar.
- **India's largest** Seawater RO plant (110 MLD) at Nemmeli, Chennai on DBO basis, meant for 100% potable use.
- The Kodungaiyur STP Power Neutral Plant in India, leads in achieving the milestone of completing over **1,00,000 hours on a single gas engine**.
- **The largest** single train 28 MLD Seawater Desal Plant (UF-RO) at Reliance at Jamnagar Refinery.
- Building STP for the University Diliman, Quezon City employing innovative **NEREDA® Technology** for the first time at the Philippines.
- WTP retrofit project, 900 MLD La Mesa-2 for Metro Manila, the **world's ninth largest** drinking WTP.
- Desalination plant for supply of potable water with a capacity of 192,000 m^3/day in Muscat, catering over **5 lakhs people.**
- 2x40 MLD **Water Reclamation plant** for Madinaty – a new satellite city near Cairo, Egypt.
- **World's first and unique** direct potable water reuse plant, the new Goreangab WTP at Windhoek, Namibia.
- **The first industrial reuse and wastewater MBR plant** in Ujams Industrial Park, Windhoek, Namibia.
- Muttenz WTP, Switzerland, **an innovative design for the safe removal of micro pollutants** make it a unique plant in Europe.
- **Energy-neutral** municipal WWTP at Sanilurfa, Turkey (140,000 m^3/d turnkey, employing innovative solar sludge drying system).
- **Innovative treatment system** for produced Water for Romania's largest oil field Suplacu de Barcau.
- 191 MLD SWRO (Desalination) Plant, Al Ghubrah, Oman - **Largest desalination plant** in the country of Oman.
- Al Madina Al Shamaliya 40 MLD Sewage Treatment Plant, Bahrain - **STP Plant with Tertiary Treatment** which caters to the entire irrigation water requirements.

India Cluster

Key highlights

- Secured an Engineering and Procurement (EP) order worth USD 165 million (about INR 1,230 crore) from Amur Gas Chemical Complex LLC., (AGCC) in Russia. This technology dominant breakthrough order in the CIS region, especially in the Russian Federation also marks WABAG's largest order in the oil & gas sector
- Secured an order worth USD 11.45 million from Dialog E&C Sdn. Bhd., Malaysia towards establishing a new Effluent Treatment Plant (ETP) for Pengerang Integrated Complex in Johor, Malaysia. This order was secured based on our technological pre-qualifications with PETRONAS
- Secured another HAM order from Ghaziabad Nagar Nigham (GNN) for 40 MLD Recycle and Reuse TTRO plant. First of its kind order in India which is financed by Municipal bonds raised by GNN
- Successfully completed 30 MLD SWRO plant for Mangalore Refinery Petrochemical Limited

Middle East & Africa (MEA) Cluster

Key highlights

- Setting up of Water Treatment Plant at Kaseeb from Societe Nationale D'exploitation Et De Distribution Des Eaux (SONEDE), Tunisia funded by KfW, the WTP is being built using advanced Lamella Clarifier technology. This is a repeat order from SONEDE
- Received FAC for 80 MLD WTP El Raswa II at Port Said, Egypt employing advanced technologies to treat water from River Nile for portable water supply to a population of over 5,00,000
- Setting up of 300 MLD Independent STP at New Jeddah Airport, Saudi Arabia with the state-of-the-art NEREDA® Technology for the first time in the region
- Setting up of Rehabilitation of South Doha Sewerage Treatment Facility using clarification, filtration and aerobic digestion technologies for Public Works Authority (ASHGAL), Qatar
- Setting up of 120 MLD large scale STP for Jubail Industrial City, Saudi Arabia being implemented for MARAFIQ

Europe Cluster

Key highlights

- Successfully completed installation of first NEREDA® system in Germany at Altena WWTP
- Large-scale order in the field of Elimination of Micropollutants in Wastewater: WABAG Switzerland was awarded the contract to build the 4th treatment stage for the municipal WWTP Aïre (300,000 m^3/d) in Geneva employing the BIOZONE® process
- Design and supply of the electromechanical equipment for the municipal WWTP at Stefanestii de Jos, Ilfov County

(Please refer page nos. 1 to 32 for Business Strategies/Outlook)

HMEL RWTP, Bhatinda, India

Purolite ETP, Romania

International Engineering Centre (IEC)

WABAG's International Engineering Centre in Pune and Vadodara provides design and engineering services to the Company's EPC business under the banner of Wabag Engineering Services.

This centre is equipped to deliver world-class cost-effective engineering services. It has competent team of engineers and state-of-the-art software to attract global engineering business. IEC provides services to oil & gas, power, fertiliser and steel industries across the globe.

IEC has provided engineering services to prestigious clients like Sibur (AGCC), IOTL, Marafiq, Kuwait National Petroleum Company, Aramco, Dangote, HMEL, SSEM, SONEDE, PETRONAS & Thai Oil.

IEC continues to support engineering for WABAG office in other clusters from both onshore and offshore. Innovation has always been IEC's focus to improve on existing equipment design and for processes to ensure productivity in terms of time and cost. IEC has developed innovative designs to improve on performances and maintainability of their existing range of equipment.

Financial Performance

The order book during FY 2021-22, stood at the highest at INR 10,107 crore.

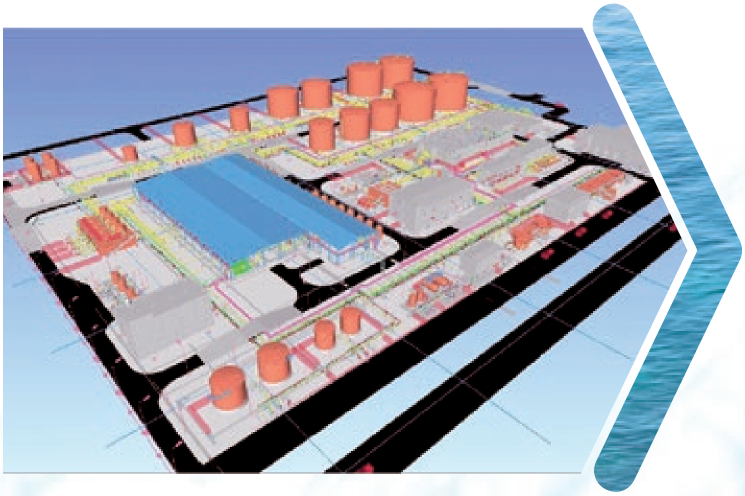
On a Consolidated basis, the Group's income stood at INR 3,011 crore in FY 2021-22, as compared to INR 2,842 crore in FY 2020-21. Profit After Tax for FY 2021-22 stood at INR 132 crore.

On a Standalone basis, income for FY 2021-22, stood at INR 2,170 crore as compared to INR 1,852 crore in FY 2020-21. Profit After Tax reported for FY 2021-22 stood at INR 92 crore.

The key metrics of the year under review as per SEBI Regulation were as follows:

- Debtors Turnover ratio: 1.65 times
- Interest Coverage ratio: 3.86 times
- Current ratio: 1.37 times
- Debt Equity ratio: 0.28 times
- EBIDTA and Net Profit margin stood at 7.95% and 4.43% respectively and return on Net Worth at 8.64% for the FY 2021-22.

The Company's Internal Control Systems and their adequacy are elaborated in the Board's Report forming part of this Annual Report.



A Brief on Human Capital

At WABAG, our people are our priority. As an effort towards empowering our employees, the following initiatives were taken and implemented through the year.

Extra Milers Programme (EMP)

A programme intended to identify potential talent among trainees who come through Graduate/Executive training programme. The objective of this programme is to build junior management level leadership pipeline. Selected Extra milers will get a sponsorship to a premier institute for a week long basic leadership skills training programme followed by an Individual development plan which will be facilitated for their growth in fast track.

Young Entrepreneur Programme (YEP)

A program intended to identify potential talent among young engineers/executives of the Company and develop functional /business managerial capabilities. The objective of the program is to build middle level leadership pipeline.

Leadership Excellence Programme (LEX)

A programme intended to identify potential talent among Manager/Deputy General Manager of the Company and to develop functional/business managerial capabilities. The objective of the programme is to build senior level leadership pipeline.

Emerging Leader Programme (ELP)

Though we have YEP in the middle management level, only 4-5 members are getting selected through this programme. Hence, to broaden the base, we have initiated another programme called Emerging Leader programme in the age group of 29 to 40 years. The objective of this programme is to identify emerging talents in the middle management level and build leadership capability.

Hi-Pot Programme

To strengthen the leadership pipeline of our Organisation. We have developed a very strong programme in this regard under the Global Talent Architecture framework, where we are identifying the Hi-Potential (Hi-Pots) leaders who can take on higher responsibilities and larger roles. By this programme, we are covering various aspects of Leadership Management such as Individual Development Plans, Succession Planning and their periodic & continuous monitoring through focused mentorship from business leadership and the talent managers within HR.

Quality, Health, Safety and Environment (QHSE)

Quality

Our constant focus is on improving our efficiency through delivering high quality services to our customers. We proactively seek to understand their needs and priorities. Based on our understanding, we make the most of new technologies and innovation to work on appropriate improvements. We aim to ensure that procedures are effective, understood and applied. We continuously strive excellence in all process.

We focus towards Quality product, Quality service and Quality performance and first time right.

Client feedback matters to us and hence, we conduct a Client Satisfaction Survey, every year.

The FIFO was implemented in the EPC sites and operational and maintenance of the plant along with the work procedure. During supplier registration process, we do check the process, their certification, credentials and so on.

The vendor portal system is well established where core process and multi activities take place in the software portal in the single system.

During the year, a remarkable improvement was seen in our customer service performance. This was due to our stringent policies placed at right place to provide quality services. With the help of professional experts and a proactive approach, we constantly make an effort to deliver the superior quality at every stage of the project.

Safety training at One City One Operator -Agra & Ghaziabad, India

Health

WABAG's policy is to provide and maintain a safe working environment while preventing injury and ill health, wherever possible. COVID-19 related protocols are followed in all our projects and at Operational plants. Vaccination drive continuously strive to achieve above 95% and continuously monitoring all the sites. Medical camps are conducted at the sites to ensure the health and safety of the employees.

We continue to target improvement through training programmes. Various initiatives like campaigns for first aid, general health check-up for all the employees and workmen, heat stress prevention to promote awareness and prevent illness have been undertaken at regular intervals. Essential health-related topics are shared with employees via toolbox talk on a daily basis. We strive for the highest standards of safety to achieve our objective of an accident free environment. Several health camps are conducted at regular intervals at the EPC, BOOT/HAM and O&M sites for all. To enhance learning and cascading the safety awareness, E-learning programme has been launched for employees for self-training and certification. We are committed to provide a safe place for our people to work where health and well-being comes first.

COVID-19

The FY 2021-22 commenced with volatility on account of major lock-downs to contain the spread of COVID-19 globally followed by emergence of new COVID-19 variants prolonged the pandemic and induced renewed economic disruptions during the year.

Social distancing, work from home, sanitisation, thermal checks and an additional impetus on the health and safety have become the new normal of the same world. Managing information, security, infrastructure, productivity and coordination added to the challenges encountered by every industry.

VA TECH WABAG is no stranger to challenges and adversities. The Corona crisis compelled Governments across nations to rightly prioritize life over everything else. An event of such scale impact puts to test the core strengths of any organisation.

WABAG has time and again demonstrated its abilities to adapt to the changing realities. Continued measures were taken to ensure safety, health and well-being of all our employees and other stakeholders across the organisation. We adhered to all protocols laid down by the Governments across all our operational sites:

- High level steering committee was formed comprising functions, disciplines and management to respond to the situation
- Specific SOPs were implemented and monitored across sites
- Social distancing was maintained
- Washing hands at regular intervals
- Sanitizers were kept at all entry and exit gates
- Thermal scanning at entry and exit from sites
- PPE kits were provided
- Employees were asked to immediately report in case of any symptoms

Business Continuity

WABAG operated hundreds of plants across globe, during lock-down both in India as well as in other countries. We have ensured uninterrupted supply of drinking water and treatment of sewage/effluent. Thereby fulfilling our commitment of protecting environment even during tough times.

Our world-class IT systems enabled seamless remote working during lock-down which ensured business as usual.

Workplace hygiene, continuous awareness (SOP), vaccination drive are facilitated for our direct and indirect employees to ensure workplace safety.

At our construction as well as O&M sites, employees were provided with well sanitised accommodations, safety measures and all essentials within the project premises to restrict the movement and to avoid the risk of infection.

Multiple weeks of business trips are reduced to few hours of digital interactions with employees as well as customers.

Safety

- Achieved 4 million Safe man-hours at WABAG's Polgahawela Water Supply Project, Sri Lanka, on September 17, 2021.
- Achieved 4.5 million Safe man-hours at WABAG's Guru Gobind Singh Polymer Addition Project, HMEL Bathinda, on September 30, 2021.
- Achieved 3 million Safe man-hours at WABAG's 30 MLD SWRO Desalination Project, Mangalore, on November 7, 2021.
- Achieved 6 million Safe man-hours at WABAG's 16 MLD Sewage Treatment Project, OWSSB Odisha, on February 22, 2021.

The projects and the corporate office celebrated the 50th National Safety Week with all the Stakeholders' participation. This year, a new initiative has been taken by the Company to promote and encourage hazard reporting and conduct HSE awareness communication, etc. every week we conducted Safety Friday training and the daily monitoring of Safety data sheet and HSE assessment Index is well-established in the organisation.

Assessment of the same is done on a monthly basis. The QHSE Passport has been updated by the department to circulate to all our engineers; this is aimed at continually developing the professional capability of our workforce in the matters pertaining to QHSE.

The HSE Performance of sites is monitored through a well-developed internal and external audit system. We periodically review our Integrated Management Systems to improve efficiency and effectiveness.

Environment

The Environment Management System is well established and implemented in the EPC and O&M sites. We are implementing World Bank /IFC guidelines and performance standards.

- Participated for CDP related with Water and initiated with ESG & Sustainability goals
- Participated in CII-EHS excellence awards and bagged Gold & Silver award
- Performance monitoring in the sites related with resources like energy consumption, optimisation of resource, re-cycle and re-use
- Received CII-IIBC Green Building Certificate for WABAG HOUSE Corporate Office

Various initiatives have been taken by the Company for improving sustainability and EHS matters.

The main objectives are to:

- Process and product characteristics within the permissible limits stipulated by SPCB/CPCB/Client requirements.
- Optimisation and effective usage of resources
- Waste management
- Water management
- To avoid land contamination
- Reduce reuse recycle recovery

All our sites and plants are inspected by the external agency at regular intervals. This helps us to keep a check on the necessary measures to be taken for the air and water quality and noise levels as well. We have achieved CII EHS Excellence awards and IGBC by implementing best practices.

Information Technology

Ongoing efforts are directed towards making WABAG digital & more secured by adopting various digital initiatives.

Digital initiatives

- Implementation of ERP Upgrade – Work in Progress
- Implemented Mobile-enabled geo tracking & geo fencing system for real-time tracking of field workforce
- Digitization initiative to automate the Operations & Maintenance Process with minimal manpower is in progress
- Implemented advanced backup solutions for safeguarding business critical data implemented
- NextGen Antivirus solutions with advanced features to safeguard business from IT security threats
- Upgraded the IT Infrastructure – Virtualisation Environment
- Consolidated & upgraded Email servers across globe
- Automated BOQ control for Engineering Function
- Implemented Zero-Trust Solution to enhance the Security posture

Research & Development

CERAMOZONE®

CERAMOZONE® pilot plant is a combination of the CERAMOPUR®-pilot plant and the Ozone pilot plant which was transported from Vienna to Pappankalan STP, Delhi. The Pilot tests were planned to be started in the FY 2020-21, at Pappankalan STP, Delhi, for indirect potable water reuse. However, due to Covid-19 pandemic it could not be done until FY 2021-22. Now, it is planned to continue in FY 2022-23. It has a high mid-term potable reuse market potential (India, South Africa, Botswana, Namibia, Brazil, USA, Singapore, Australia, etc.). A patent has been granted for this process.

DAMOPUR®

DAMOPUR® is WABAG's technology for the Deammonification process (Ammonia removal) in side and mainstream. The detailed engineering of the main stream pilot plant is in progress and the construction of the pilot plant was planned in the FY 2020-21, and planned to start the pilot tests at Delhi/Kondli STP in the FY 2021-22. However, based on the results of Ph.D. study at EAWAG at Switzerland the plan is switched to go to lab scale study first and the basic engineering for the same is in progress and the construction of lab scale plant is planned in the FY 2022-23, and will be operated in India and/or Egypt.

Membrane Distillation (MD)

The Pilot tests at Panipat Refinery (IOCL) were completed in 2018. The pilot plant is currently at Chennai/Nemmeli Seawater Desalination Plant for potential pilot tests for further recoveries from SWRO Brine and from RO reject at IOCL Paradip refinery. However, due to Covid-19 pandemic the studies did not progress and now it is planned to carry out in the FY 2022-23. The technology for Zero Liquid Discharge/ZLD (or minimum liquid discharge/MLD) which has an increasing market potential has several advantages against classical evaporation. Membrane distillation crystallisation patent was granted in November 2021. This new technology has potential of a breakthrough technology within ZLD/MLD processes.

Hard Chemical Oxygen Demand (COD)

Hard COD removal by BIOZONE® – The Pilot tests at HMEL Bathinda, Punjab, were partially completed in 2018, the pilot plant is brought to Chennai due to non-availability of site. Currently, it is lying at the WABAG warehouse in Chennai. The important add-on as COD discharge has been limited for industries, viz. IOCL Paradip, RIL Dahej, HMEL, etc. it is planned to restart the pilot studies at Chennai itself. Hence, after COVID-19 outbreak, potential pilot tests were planned to be started at Chennai Koyambedu Water Reclamation Plant for RO brine treatment/oxidation of hard COD, micro-pollutants and antimicrobial resistance in the FY 2022-23.

Frauenkirchen, Austria - Micro-pollutants Removal

Micropollutants removal by ozone and activated carbon (CARBOPUR® and BIOZONE®) – The Pilot tests were completed by WABAG Austria in cooperation with the Vienna University of Technology in fall 2019 at Frauenkirchen, Austria. The Final report "Advanced purification of Municipal Wastewater with ozone and activated carbon to remove organic trace substances - toxicology and general applicability" was published by the Austrian Federal Ministry of Agriculture & Water in May 2020. Special research: Genotoxicity (bacterial mutagenicity/ AMES tests and hepatocyte/Comet assay) and bioassays (cyto-toxicity, estrogenicity, and others). The full scale project which was interrupted due to COVID-19 will be continued. However, increasing water stress could have an accelerating effect.

Antimicrobial Resistance Project

Antimicrobial resistance in water reclamation and reuse – The project has been carried out by WABAG Austria in cooperation with the Vienna University of Technology to assess the efficiency of conventional and advanced treatment technologies in removing Antibiotic Resistant Bacteria (ARB) and Antibiotic Resistant Genes (ARG) at the New Goreangab Water Reclamation Plant (NGWRP) in Windhoek, Namibia. The paper 'Fate and persistence of antibiotic-resistant bacteria and genes through a multibarrier treatment facility for direct potable reuse' in the IWA Journal of Water Reuse was published in September 2021 (final paper) and will be presented at the 13th IWA International Conference on Water Reclamation and Reuse at Chennai, 15-19 January, 2023.

Micro-sieving full scale plant execution at Switzerland, pilot tests in Germany

MICROPUR-CAS® – Pilot tests were successfully completed in Q1 of 2017 at Birsig/Therwil, Switzerland, to reduce the organic load to activated sludge process. The contract for full scale plant at Birsig STP in Therwil was awarded in Q4 of 2019. This contract is under execution, however the start-up has been postponed by the client for a year to 2023. The pilot tests at Nidda, Germany, were successfully completed in Q4 of 2019. The additional pilot tests at Aarbergen, Germany, are ongoing and will be completed in 2022.

Risk Management

The Company faces a number of risks which, if they arise, could affect its ability to achieve its strategic objectives.

The Board is responsible for identifying principal risks and ensuring appropriate risk mitigation is in place to manage them effectively.

Successful management of existing and emerging risks is essential to the long-term success of the Company. WABAG has established a risk management framework, to identify significant risks and determine whether they are being mitigated properly.

From tendering stage till closure of projects, the Company identifies both internal and external risks. During execution of these processes, a continuous risk monitoring system, is being followed, Enterprise Resource Planning (ERP), which helps us make more prudent decisions.

Our risk identification and management activities are continuous and ongoing. Each functional area is responsible for assessing, articulating and controlling relevant risks.

This includes scanning of the internal and external business environment to identify and review new and emerging risks. Such risks could lead to a future impact or emerging circumstances of existing risk, affecting the exposure in the short to medium-term. Risk events are assessed in their current state for the likelihood of occurrence, based on the level of threat and the vulnerability of controls. When we are not satisfied with current state of our general risk appetite or when we can present an unacceptable risk in relation to a specific risk appetite, we determine an appropriate risk exposure as a target state. We further develop mitigating measures to deliver this within a definite time frame. Risks that are part of our risk register have been re-evaluated during pandemic and been thoroughly analysed for change in risk grading.

Additional risks like safety, productivity, working capital, among others, which are attributable only to COVID-19 pandemic are included and appropriate mitigation strategy has been put in place. These are visible in our year-end results.

Risks are identified by the Board, Audit Committee and Risk Management and Monitoring Committee. These bodies ensure effective risk management across the Group Risk framework of WABAG. This is based on the concept of 'three lines of defence' wherein the management control is the first, oversight functions established by the Management and independent assurance.

The CMD & Group CEO identifies various operational, business, commercial and external risks and implements processes to address them. Also, periodic review and audit are also conducted to mitigate these risks.

WABAG continues to adapt and plan for climate change. We continue to plan and prepare its significant and permanent impacts on the water cycle, our operations and the broader operating environment. This includes consideration of the long-term viability of water and wastewater services such as water abstraction, drinking water supply and treatment capability, drainage and sewer capacity, wastewater treatment and its discharge efficiency and effectiveness.

Cautionary Statement

The Management Discussion and Analysis contains 'forward looking statements', identified by words like 'plans', 'expects', 'will', 'anticipates',' believes', 'intends', 'projects', 'estimates' and so on within the meaning of applicable securities laws and regulations concerning WABAG's future business prospects and business profitability. All statements that address expectations or projections about the future, the Company's strategy for growth, product development, market position, expenditures and financial results, are forward-looking statements. All these prospects are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward-looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, ability to manage growth, competition (both domestic and international), economic growth in India and the target countries worldwide, ability to attract and retain highly-skilled professionals, time and cost overruns on contracts, ability to manage international operations, Government policies and actions with respect to investments, fiscal deficits, regulations, interest and other fiscal costs generally prevailing in the economy, etc. Past performance may not be indicative of future performance. The Company does not undertake to make any announcement in case any of these forward-looking statements become materially incorrect in future nor shall the Company update any forward-looking statements made from time to time by or on its behalf.

REPORT ON CORPORATE GOVERNANCE

1. VA TECH WABAG'S Philosophy on Corporate Governance

At WABAG, it is imperative that business is conducted in a fair and transparent manner. Business Ethics and Corporate Governance have been an integral part of the Company.

The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with a balanced mix of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organisation and putting in place appropriate systems, process and technology.

The Company strongly believes that the best Corporate Governance practices have been the key enablers in inculcating Stakeholders' trust and confidence, retaining / attracting financial capital, human capital and meeting societal aspirations.

The Company is in compliance with the Corporate Governance requirements as enshrined in the Companies Act, 2013 read with the relevant Rules made thereunder ("**Act**"), Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**") and other applicable laws, rules and regulations, as amended from time to time.

In terms of Schedule V of SEBI LODR, the Company hereby presents this report in compliance with the principles of Corporate Governance.

2. Board of Directors

The Company's Board of Directors ("**Board**") has been constituted with a balanced composition of Independent Directors, Non – Executive Directors and Executive Directors. The Board being aware of its fiduciary responsibilities, recognises its importance towards all its Stakeholders to uphold highest standards of Corporate Governance in all matters concerning the Company and has empowered responsible human capital to implement its broad policies and guidelines and has set up adequate review processes. The Board inter-alia, focuses on strategic planning, risk management, compliance, corporate governance to maintain high standards of ethical conduct, integrity and succession planning for the Directors and senior management team.

The Board focuses on upholding the core value of excellence, integrity, responsibility, unity and understanding to ensure that there is a fair, transparent and ethical governance practice in the Company. The Independent Directors provide independent and objective judgement on matters placed before them including issues on strategy, policies, operations, risk management and overall governance, amongst other aspects.

The Company's day to day affairs are primarily managed by adept management and business team under the guidance of the Chairman cum Managing Director & Group CEO, Whole Time Director & CGO, Chief Executive Officer(s) and Chief Financial Officer(s) of the Company. The Board oversees the management functions and protects long term interest of its Stakeholders by adopting the best industry practices.

2.1 Size & Composition of the Board

Your Company's Board consists of the requisite expertise of Independent and Non – Independent Directors in accordance with the Act and SEBI LODR, as amended from time to time. As on March 31, 2022, WABAG's Board consists of 6 (Six) Directors consisting of 3 (Three) Non - Executive Independent Directors including 1 (One) Independent Woman Director, 1 (One) Non - Executive Non – Independent Director and 2 (Two) Executive Directors. The Chairman of the Board is an Executive Director. As on March 31, 2022, about 50% of the Board comprises Independent Directors. During the year, Mr. Malay Mukherjee ceased to be a Director w.e.f. January 29, 2022 due to his sad demise. Subsequently, Mr. Rajiv Mittal, Managing Director & Group CEO was appointed as Executive Chairman at the Board Meeting held on March 26, 2022 with immediate effect and re-designated as Chairman cum Managing Director & Group CEO. There are no Nominee Directors representing any institution on Board of the Company. The profile of Directors is available at our website www.wabag.com.

The Board consists of the following Directors as on March 31, 2022, categorised as indicated below:

Mr. Rajiv Mittal*	Executive Chairman cum Managing Director & Group CEO
Mr. Milin Mehta	Non – Executive, Independent Director
Ms. Vijaya Sampath	Non – Executive, Independent Woman Director
Mr. Ranjit Singh	Non – Executive, Independent Director
Mr. Amit Goela	Non – Executive, Non - Independent Director
Mr. S. Varadarajan	Executive Director (Whole Time Director & CGO)

*Mr. Rajiv Mittal, Managing Director & Group CEO of the Company was re-designated as Chairman cum Managing Director & Group CEO w.e.f. March 26, 2022.

**Mr. Malay Mukherjee ceased to be a Director w.e.f. January 29, 2022, due to his sad demise.

Board Skills

Your Company has vibrant Board of Directors with requisite skills, expertise and experience, as required. The core skills identified by the Board inter-alia are as follows:

1. Expertise in business, project management and operational aspects
2. Adequate knowledge of finance, accounting, technical and other applicable laws
3. Hands on industry/business experience
4. Handled/Involved in Indian and/or international businesses
5. Technical expertise and management skills

Skills Identified by the Board

The skills and backgrounds collectively represented on the Board reflect the diverse nature of the business environment in which the Company operates. Accordingly, a matrix chart setting out the core skills, experience and competencies of the Board of Directors is mentioned below:

Key Skills/ Expertise/ Competencies	Mr. Rajiv Mittal	Mr. Milin Mehta	Ms. Vijaya Sampath	Mr. Ranjit Singh	Mr. Amit Goela	Mr. S. Varadarajan	Mr. Malay Mukherjee
Knowledge of Industry	✓	✓	✓	✓	✓	✓	✓
Project Management	✓		✓	✓		✓	✓
Engineering Expertise	✓			✓			✓
Accounting	✓	✓			✓	✓	
Finance	✓	✓	✓	✓	✓	✓	✓
Corporate Governance and Compliances	✓	✓	✓	✓	✓	✓	✓
Sales and Marketing Experience	✓	✓	✓	✓		✓	✓
Handled/ Involved in Indian/ International Business	✓	✓	✓	✓	✓	✓	✓
Stakeholders Relationship	✓	✓	✓	✓	✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓	✓
Leadership	✓	✓	✓	✓	✓	✓	✓
Behavioral Competencies	✓	✓	✓	✓	✓	✓	✓

2.2 Board Procedure

A minimum of 4 (four) pre-scheduled Board Meetings are held every financial year to review the financial results and business operations of the Company. Additional Board meetings are also convened to deal with specific agenda items concerning your Company. In case of business exigencies or matters of urgency, resolutions are passed by circulation as permitted under the Act. Audio/Video conferencing facilities are available to enable active participation by Directors who are unable to attend the meetings in person.

An annual calendar for the Board and various Committee Meetings are pre-scheduled before the beginning of the financial year in consultation with the Directors so as to facilitate active and consistent participation of all Directors.

The Board and Committee meetings are governed by a structured agenda which are backed by comprehensive background notes, wherever required. At the Board and Committee meetings, detailed presentations are made by the management team which covers performance and operational matters (financial and non-financial), opportunities, business strategy, project status, status of action points, human resource, legal, risk perspective, update on relevant statutory changes, judicial pronouncements encompassing significant laws and their impact on the Company's business operations, quarterly / annual financial results and any other relevant information required under law or by the Directors for Board / Committee's review and consideration. The functioning of the Board is democratic and Members of the Board are at liberty to bring up any agenda for discussions at the Board Meetings.

All material information and notes are circulated to the Directors before the meeting or tabled at the meeting, including but not limited to mandatory information required to be given as per Part A of Schedule II to the SEBI LODR, as part of the meeting agendas notes/ papers well in advance (except for certain confidential information which are provided separately in secured manner).

The meetings and agenda items taken up during the meetings comply with the Act and SEBI LODR read with various circulars issued by Ministry of Corporate Affairs ("**MCA**") and Securities Exchange Board of India ("**SEBI**").

All other information such as press releases, reports, business updates etc. as may be required by the Board are also circulated to all the Directors. All Board members have access to accurate, relevant and timely information to fulfill their responsibilities.

The Company has a well-established process in place for reporting to the Board and Committees, the compliance status of various statutory laws applicable to the Company. The action taken report on matters arising from the meetings of Board and Committees are placed at the subsequent meeting of the Board and Committees for discussions, approvals and notings, etc.

The disclosures are made by Senior Management Personnel of the Company to the Board of Directors relating to any material, financial and commercial transactions, wherever they have personal/financial interest in any transaction or matters that may have a potential conflict with the interest of the Company at large, if any on a periodical basis.

As part of green initiatives to protect environment, the Company uses a secured electronic software application system through which Board and Committee Meetings agenda, notes, supporting documents and other informations/communication are circulated/shared with Directors and accessed in meetings, thereby saving time and costs and adhering to the requisite procedures as prescribed under law.

The Company Secretary and Compliance Officer of the Company attends the Meetings of the Board and Committee(s) and is, inter-alia, responsible for recording the minutes of the Meeting(s) of the Board and/or its Committee(s). The draft minutes of the Board and/or its Committee(s) are provided to the respective Chairperson and Directors for their comments, if any and appropriately entered/recorded in the minutes book maintained by the Company in accordance with the Act and in compliance with Secretarial Standards issued by the Institute of Company Secretaries of India.

2.3 Directorships of Directors in other listed entities:

All Directors of the Company have been informing about their Directorships and Committee Memberships / Chairmanships including any changes in their positions on a periodical basis. None of the Directors of the Company are related inter-se, in terms of Section 2(77) of the Act and Regulation 34(3) of SEBI LODR.

In accordance with the Regulation 17A of the SEBI LODR, none of the Directors of the Company serves as a Director in more than 7 (seven) listed Companies, and in case he/she is serving as a Whole Time Director in any listed Company, does not hold the position of Independent Director in more than 3 (three) listed Companies.

Further, as per Regulation 26 of SEBI LODR none of the Directors of the Company is a member of more than 10 (ten) Board level Committees (considering only Audit Committee and Stakeholders' Relationship Committee) or Chairperson of more than 5 (five) Committees across all Public Limited Companies in which he/she is a Director.

The Company has not issued any convertible instruments, hence, disclosure in this regard is not applicable.

In terms of the SEBI LODR, the name, category of Directors, details of Directorships, Chairmanships held by the Company's Directors in other listed entities and membership in Committees including Public Limited Companies and WABAG as on March 31, 2022 is furnished below:

Name of the Director	No. of Directorships*	No. of Committee Memberships**	No. of Chairmanships**	Directorships in other listed entity(ies)	Category of Directorships in other listed entities
Mr. Rajiv Mittal	1	2	-	NIL	NIL
Mr. Milin Mehta	5	5	3	• Shaily Engineering Plastics Limited • 5Paisa Capital Limited	Independent Director
Ms. Vijaya Sampath	8	7	1	• Ingersoll – Rand (India) Limited, • Eris Lifesciences Limited, • Craftsman Automation Limited, • Safari Industries (India) Limited, • Varroc Engineering Limited, • Intellect Design Arena Limited.	Independent Director
Mr. Ranjit Singh	3	3	1	• Polyplex Corporation Limited, • Shaily Engineering Plastics Limited	Independent Director
Mr. Amit Goela^	2	2	2	• Suryaamba Spinning Mills Limited	Independent Director
Mr. S. Varadarajan	1	1	-	NIL	NIL

**Excluding Private Limited Companies, Foreign Companies and Companies under Section 8 of the Act.*

***Pursuant to Regulation 26 of SEBI LODR, Chairmanships/ Memberships of Board / Committees shall only include Audit Committee and Stakeholders' Relationship Committee including that of the Company, Committee Membership includes Chairmanship.*

^Mr. Amit Goela was appointed as an Additional Director in the category of Non – Executive Non - Independent Director of the Company w.e.f. July 19, 2021 and the Members approved his appointment as Non – Executive Non – Independent Director at the last Annual General Meeting (AGM) held on August 25, 2021.

All the Directors have furnished their Directorship and Committee's position in other entities as on March 31, 2022 as required under the Act and SEBI LODR.

2.4 Post Meeting follow up mechanism

All significant observations, decisions and comments given by the Directors at the Board Meeting(s) and/or its Committee Meeting(s) are promptly communicated to the relevant business/technical personnel and other team members for taking appropriate action. The status update on all the critical points, action initiated/taken on key aspects are periodically communicated to the management and/or Directors for their review and consideration by way of Action Taken Report (ATR) which is placed at every Board/Committees meetings based on inputs received from the management team.

2.5 Directors Shareholding

The details of Equity shares held by the Directors of the Company as on March 31, 2022 are as below:

Name of the Directors	No. of Equity Shares held (Face value of INR 2/- each)	% of Total Shares
Mr. Rajiv Mittal*	97,09,406	15.61%
Mr. Milin Mehta	Nil	Nil
Ms. Vijaya Sampath	Nil	Nil
Mr. Ranjit Singh	Nil	Nil
Mr. Amit Goela	Nil	Nil
Mr. S Varadarajan*	21,85,762	3.51%
Total	**1,18,95,168**	**19.12%**

* Mr. Rajiv Mittal and Mr. S Varadarajan, Executive Directors are also the Promoters of the Company

2.6 Independent Directors

Separate Meeting of Independent Directors

Pursuant to Schedule IV of the Act and Regulation 25 of SEBI LODR, the Independent Directors of the Company met 2 (two) times during the FY 2021-22 i.e., on August 10, 2021 and March 26, 2022 without the presence of Executive Directors and members of the management.

All the Independent Directors and Non-Executive Directors were present at the Meeting and discussed inter-alia the following matters,

- the performance of the Company and flow of information to the Board,
- competition strategy, leadership, strengths and weakness, governance, compliance, human resource matters.

Declaration/Confirmation

The Independent Directors of the Company provide declarations pursuant to the provisions of Section 149(7) of the Act, both at the time of appointment and annually. The Company has received declarations from all Independent Directors confirming that they meet the criteria of Independence as laid down under the Section 149(6) of the Act and Regulation 16(1)(b) and 25 of the SEBI LODR. The Independent Directors have also confirmed that they have complied with the Company's code of conduct.

The Board had taken on record the declaration and confirmation submitted by the Independent Directors after undertaking due assessment of the veracity of the same.

Further, in the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI LODR and are independent of the management.

Terms and Conditions of Appointment

A formal letter of appointment containing inter-alia, the terms of appointment, roles, function, duties and responsibilities, the Company's Code of Conduct, policies, disclosures and confidentiality are issued to Independent Director(s) post their appointment on Board of the Company. The specimen of Independent Directors appointment letter is available on the Company's website www.wabag.com. The specimen letter is subject to review/changes as required by the NRC/Board, from time to time.

Tenure of Independent Directors

In accordance with Section 149(11) of the Act, the current tenure of appointment of Independent Directors are as follows:

Independent Directors	From	To	Term
Mr. Milin Mehta – 3 years	August 13, 2019	27th AGM to be held in calendar year 2022 i.e., August 24, 2022	First Term
Ms. Vijaya Sampath – 3 years	July 31, 2020	July 31, 2023	First Term
Mr. Ranjit Singh – 3 years	November 11, 2020	November 11, 2023	First Term

Familiarisation Programme

In accordance with Regulation 25(7) of SEBI LODR, the Company conducts Familiarisation Programme for all Directors, including Independent Directors and Non-Executive Directors of the Company, with regard to their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, its management, operation, business and general laws governing the Company.

During the year, Mr. Amit Goela was appointed as Non - Executive Non - Independent Director on the Board of the Company. To familiarise him with the Company, an information kit containing Annual Reports including Company's corporate profile, statement of Vision and Values, organisational structure, the Company's history and milestones, Code of Conduct applicable to Directors/ Senior Management Personnel of the Company and other Reports / Policies were provided. The Company through its Executive Directors / Senior Managerial Personnel and/or external experts conducts programme and presentations periodically to familiarise the Directors with the strategy, operations and functions of the Company. Periodical presentations are made at the Board, Committees and other meetings on business and performance updates of the Company, business strategy and risks involved; relevant statutory changes in the Companies Act, SEBI Regulations and other statutory laws / regulations.

Such programme / presentations provide an opportunity to the Independent Directors and Non-Executive Directors to interact with the senior leadership team of the Company and help them to understand the Company's strategy, business model, operations, service and product offerings, markets, organisation structure, finance, human resources, technology, quality, facilities and risk management and such other areas, from time to time.

The details of familiarisation programme imparted by the Company have been disclosed on the Company's website https://www.wabag.com/compliances.

2.7 Meetings of the Board

The Company adheres to the provisions of the Act, SEBI LODR and Secretarial Standards, as amended from time to time with respect to convening of the Meetings of the Board of Directors.

The Board meets at least once in every quarter to review the Company's operations and to consider, among other business, the quarterly performance and financial results of the Company. Additional meeting(s) are also convened to meet the business requirements/ urgent matters, if any. The Board also passes circular resolution (prescribed items as specified in the Act) as and when necessary to deal with specific matters concerning the Company.

During the year under review, the Board of Directors of your Company met 8 (eight) times on May 14, 2021, May 31, 2021, June 05, 2021, July 19, 2021, August 11, 2021, November 13, 2021, February 11, 2022 and March 26, 2022.

The maximum gap between any 2 (two) consecutive Board meeting(s) was within 120 days as stipulated under the Act and Regulation 17 of SEBI LODR. The Company also provides the Video Conferencing/ Other Audio Visual Means ("**VC/OAVM**") facility to its Directors, as and when required, to enable any Director(s) to participate in such meetings.

2.8 Directors' Attendance in Board/ Committees/General Meeting

The name and category of Directors, DIN, their Committee positions and particulars of attendance of Board and Committee Meetings are given below:

NAME OF THE DIRECTORS	ATTENDANCE PARTICULARS OF BOARD & COMMITTEES															
	ATTENDANCE PARTICULARS				AUDIT COMMITTEE		STAKEHOLDERS RELATIONSHIP COMMITTEE		NOMINATION AND REMUNERATION COMMITTEE		RISK MANAGEMENT AND MONITORING COMMITTEE		CORPORATE SOCIAL RESPONSIBILITY COMMITTEE		OVERSEAS INVESTMENT COMMITTEE	
	No. of Board Meetings				No. of Meetings											
DIN	Category	Held	Attended	Last AGM	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr. Rajiv Mittal 01299110	Promoter / Chairman cum Managing Director & Group CEO[#]	8	8	✓	7	7	4	4	NA		3	3	2	2	1	1
Mr. Milin Mehta 01297508	Independent Director[$]	8	8	✓	7	7	NA		5	5	1[@]	1	NA		1	1
Ms. Vijaya Sampath 00641110	Independent Director[%]	8	8	✓	4[@]	4	NA		5	5	NA		2	2	1	1
Mr. S. Varadarajan 02353065	Promoter / Whole Time Director & Chief Growth Officer	8	8	✓	NA		4	4	NA		3	3	2	2	1	1
Mr. Ranjit Singh 01651357	Independent Director[&]	8	8	✓	7	7	4	4	NA		3	3	NA		NA	
Mr. Amit Goela 01754804	Non - Executive Non - Independent Director[^]	4[@]	3	✓	NA		NA		1[@]	1	NA		1[@]	1	NA	
Mr. Malay Mukherjee 02861065	Independent Director - Chairman*	6[@]	6	✓	5[@]	5	NA		4[@]	4	2[@]	2	NA		NA	

- [#]Mr. Rajiv Mittal, Managing Director & Group CEO of the Company was re-designated as Chairman cum Managing Director & Group CEO of the Board w.e.f. March 26, 2022.
- [&]Mr. Ranjit Singh was appointed as Chairman of Risk Management and Monitoring Committee w.e.f. February 11, 2022.
- [$]Mr. Milin Mehta was appointed as Member of Risk Management and Monitoring Committee w.e.f. February 11, 2022. He attended all the Committee meetings post his induction.
- [^]Mr. Amit Goela was appointed as Member of Nomination and Remuneration Committee w.e.f. February 11, 2022.
- [^]Mr. Amit Goela was appointed as Member of Corporate Social Responsibility Committee w.e.f. July 19, 2021.
- [%]Ms. Vijaya Sampath was appointed as Member of Audit Committee w.e.f. July 19, 2021. She has attended all Committee meetings post her induction in Committees.
- [^]Mr. Amit Goela was appointed as an Additional Director in the category of Non – Executive Non - Independent Director of the Company w.e.f. July 19, 2021 and the Members of the Company approved his appointment as Non – Executive Non – Independent Director at the last Annual General Meeting (AGM) held on August 25, 2021.
- *Mr. Malay Mukherjee ceased to be a Director from the Board w.e.f. January 29, 2022 due to his sad demise.
- [@]Indicates the no. of meetings held during their tenure as Director / Committee Member.
- NA - Not Applicable as he/she is not a Member of such Committee(s).

3. Committees of the Board

The Board of the Company has constituted following 6 (six) Committees to support the Board in discharging its responsibilities.

A. Audit Committee (AC)

B. Stakeholders Relationship Committee (SRC)

C. Nomination and Remuneration Committee (NRC)

D. Corporate Social Responsibility Committee (CSR)

E. Risk Management and Monitoring Committee (RMMC)

F. Overseas Investment Committee (OIC)

The composition of various Committees of the Board is given below and also available on the website of the Company at www.wabag.com. The Committees have optimum representation of members of the Board with requisite expertise. The Committees of the Board play an important role in the governance structure of the Company and focus on specific areas and make informed decisions within the delegated authority. Each Committee is guided by its terms of reference, which provides for the compositions, scope, powers, duties, roles and responsibilities.

The process, procedures and standards adopted by the Company for Board meeting(s) are applicable to Committee meeting(s). The meetings of the Committee are held at such intervals as deemed necessary by the Committee to effectively perform the task assigned to them. The Chairperson of respective Committees report to the Board about the deliberations and decisions taken by the Committees, wherever required. The recommendations of the Committees are submitted to the Board for their consideration/approval. The minutes of the meetings of all Committees of the Board are placed before the Board for their noting.

Brief details of Committee of the Board are as follows:

A. Audit Committee

The Audit Committee of the Board of the Company comprises following Members:

- Mr. Milin Mehta, Independent Director and Chairman of the Committee
- Ms. Vijaya Sampath, Independent Director and Member of the Committee w.e.f. July 19, 2021
- Mr. Ranjit Singh, Independent Director and Member of the Committee
- Mr. Rajiv Mittal, Executive Director and Member of the Committee and
- Mr. Malay Mukherjee ceased to be a Member of the Committee w.e.f. January 29, 2022 due to his sad demise.

All the Members of the Committee have accounting/ financial knowledge and other qualifications as required under law to carry out their functions and other relevant expertise. The Company Secretary of the Company acts as the Secretary to the Committee. The constitution and terms of reference of the Audit Committee are in conformity with Section 177 of the Act, Regulation 18 of the SEBI LODR read with Part C of Schedule II of the said Regulations.

The Audit Committee is entrusted with the main responsibility to supervise the Company's internal controls and financial reporting process, in addition to matters as required to be reviewed/ approved by the Audit Committee. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. The Committee also reviews financial statements and investments of unlisted subsidiary and associate Companies, Management Discussion & Analysis of financial condition and results of operations, amongst other areas.

The meetings of the Audit Committee are also attended by the Executive Directors, Chief Financial Officer(s), Chief Executive Officer(s), Statutory Auditors and Internal Auditors. As and when needed, Senior Executives of the Accounts / Finance Department, Corporate Assurance Department and other officials/ external experts, representatives of Statutory and Internal Auditors also attend the meetings of the Audit Committee as invitees. The Cost Auditor also attends the Committee Meeting at which the Cost Audit Report(s) are considered.

The Committee met 7 (seven) times during the year under review on May 14, 2021, May 31, 2021, June 05, 2021, August 10, 2021, November 13, 2021, February 10, 2022 and March 26, 2022. The time gap between two Meetings did not exceed 120 days. The quorum was present in all the Meetings of the Committees. All the Members of the Audit Committee including the Chairman were present at the last Annual General Meeting of the Company held on August 25, 2021.

The details on composition, category of members and their attendance to the Committee Meetings held during the year are covered in the table given on page no. 96 of this report.

B. Stakeholders Relationship Committee

The Company's Stakeholders Relationship Committee comprises following Members:

- Mr. Ranjit Singh, Independent Director and Chairman of the Committee,

- Mr. Rajiv Mittal, Executive Director and Member of the Committee,
- Mr. S Varadarajan, Executive Director and Member of the Committee.

The Company Secretary of the Company acts as the Secretary to the Committee.

The role of Stakeholders' Relationship Committee includes, without limitation, resolving the grievances of Members, ensuring expeditious share transfer process, evaluating performance and service standards of the Registrar and Transfer Agent of the Company, amongst other aspects. The constitution, role and terms of reference of the Stakeholders Relationship Committee are in line with the Act and SEBI LODR and also covers all the matters as contemplated under Regulation 20 read with Part D of Schedule II of the SEBI LODR and Section 178 of the Act, as applicable, besides other terms as referred by the Board from time to time.

The status of complaints received and resolved during the year are as under:

No. of Complaints pending as on April 01, 2021	:	Nil
No. of Complaints received during the FY 2021-22	:	3
No. of Complaints resolved during the FY 2021-22	:	3
No. of Complaints pending as on March 31, 2022	:	Nil

In accordance with the Regulation 13(3) of the SEBI LODR, the statement of Investor Complaints received, disposed off and pending for every quarter is filed with Stock Exchanges within 21 (twenty one) days from the end of each quarter and are also placed at the subsequent Meeting of Board. The copy of Investor Complaints/ Grievances filed with Stock Exchanges is also uploaded on the website of the Company www.wabag.com.

During the year, the Stakeholders Relationship Committee met 4 (four) times on May 31, 2021, August 10, 2021, November 12, 2021 and February 10, 2022.

The necessary quorum was present in all the Meetings. All the Members of the Committee attended the last Annual General Meeting of the Company held on August 25, 2021.

The details on composition, category of members and their attendance to the Committee Meetings held during the year are covered in the table given on page no. 96 of this report.

C. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company comprises following Members:

- Ms. Vijaya Sampath, Independent Director and Chairperson
- Mr. Milin Mehta, Independent Director and Member of the Committee
- Mr. Amit Goela, Non – Executive Non - Independent Director and Member of the Committee w.e.f. February 11, 2022.
- Mr. Malay Mukherjee ceased to be a Member of the Committee w.e.f. January 29, 2022 due to his sad demise.

All the Members of the Committee are Non – Executive Directors with majority of Independent Directors. The Chairperson of the Committee is an Independent Director and different from the Chairman of the Board.

The constitution and terms of reference of the Nomination and Remuneration Committee are in conformity with the Act and SEBI LODR and also covers all the matters specified under Section 178 of the Act and Regulation 19 of the SEBI LODR read with Part D of Schedule II of the said Regulations, as amended from time to time.

The Nomination and Remuneration Committee is responsible to, inter-alia, formulate the criteria for appointment of Director/Senior Management personnel and review the said criteria for determining the qualifications, skills, positive attributes necessary for inducting members on the Board/Senior management. The Committee is also responsible for screening the candidates who meet the criteria, reviewing their appointment/re-appointment and making recommendations to the Board in this regard. The Committee reviews the performance evaluation of Independent Directors, Board as a whole and that of its Committees, and Senior Management personnel by Committee / Executive Directors.

During the year under review, the Nomination and Remuneration Committee met 5 (five) times on May 14, 2021, May 31, 2021, July 19, 2021, August 10, 2021 and March 26, 2022. The quorum was present in all the Meetings. All the Members of the Committee attended the last Annual General Meeting of the Company held on August 25, 2021.

The details on composition, category of members and their attendance to the Committee Meetings held during the year are covered in the table given on page no. 96 of this report.

C.1 Remuneration to Directors

Non-Executive /Independent Directors:

Pursuant to the approval of the Members at the 19th AGM of the Company held on July 21, 2014 and as per Nomination, Evaluation & Remuneration Policy, the Company pays commission on quarterly basis to Non-Executive Directors within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Act, from time to time.

The Nomination and Remuneration Committee has laid down criteria for evaluation of the performance of Directors like level of participation of the Directors, understanding of their roles and responsibilities, understanding of the business and competitive environment in which the Company operates, understanding of the strategic issues and challenges for the Company, understanding the terms of reference, effectiveness of the discussions etc.

The performance evaluation of Independent Directors was done by the entire Board, except the Director concerned being evaluated. The performance evaluation of Independent Directors was based on various criteria fixed by the Nomination and Remuneration Committee, from time to time, including but not limited to time devoted by the Director, strategic guidance given to the Company, advice given for determining important policies, process, decisions, knowledge acquired with regard to Company's business, external expertise provided and independent judgement that contributes objectively in the Board's deliberation were also considered.

Executive Directors:

The Nomination and Remuneration Committee fixes the Key Performance objectives of the Executive Directors of the Board each year which are aligned with the immediate and long term goals of the Company. The performance evaluation of the Managing Director & Group CEO and Whole Time Director & CGO is done at the close of the financial year on the basis of these Key Performance objectives.

The remuneration structure of the Managing Director & Group CEO and Whole Time Director & CGO comprises of basic salary, bonus, perquisites and other allowances, contribution to provident fund etc.

The remuneration is determined considering various factors such as relevant qualification, experience, expertise, roles, functions, responsibilities, prevailing remuneration in the industry and the financial position of the Company. The Members of the Company had re-appointed Mr. Rajiv Mittal, as Managing Director & Group CEO with effect from October 01, 2020 till March 31, 2025 at the 25th AGM of the Company held on September 23, 2020. Mr. S Varadarajan, was re-appointed as a Whole Time Director of the Company for a period of 5 (five) years w.e.f June 01, 2018 by the Members of the Company on August 10, 2018. The remuneration component is split into fixed pay and performance pay which is payable on achieving various performance criteria including but not limited to the following:

- Leadership, strategy formulation, strategy execution, financial planning & performance.
- Relationship with other Board members, external relations, human resource Management/relation, succession planning, product/service knowledge and personal qualities etc.
- Role and accountability, objectivity & personal attributes.

The remuneration components payable also depends on achieving the key performance metrics set by the Nomination and Remuneration Committee and Board, from time to time, covering the areas such as:

- Order Booking/Sales/PAT/Bank Line/ Cash flow/ Optimising Total cost of Operation of Group etc.
- Succession Planning/ Recruitment of Key Lateral leadership/ Employee Engagement/ Productivity
- Strategy Formulation & Execution
- Stakeholders Engagement
- Successful Financial Closure of Projects / Secure Order Intake
- Other factors as may be fixed by the NRC/Board

The Company makes necessary arrangements to the Directors for attending the Meetings and reimburses the out-of-pocket expenses, if any, incurred by the Directors. The Company does not have any pecuniary relationship or transactions as per the Act with the Independent Directors.

Details of Remuneration paid to Directors during FY 2021–22 are as follows:

(INR Lakhs)

Name	Category	Commission	Salary and Perquisites	Performance Incentive	Superannuation and Provident Fund *	Total
Mr. Malay Mukherjee#	Chairman, Independent Director	15.00	-	-	-	15.00
Mr. Milin Mehta	Independent Director	15.00	-	-	-	15.00
Ms. Vijaya Sampath	Independent Director	15.00	-	-	-	15.00
Mr. Ranjit Singh	Independent Director	15.00	-	-	-	15.00
Mr. Amit Goela	Non – Executive Non – Independent Director	11.25	-	-	-	11.25
Mr. Rajiv Mittal	Chairman cum Managing Director & Group CEO	-	282.38	-	14.34	296.72
Mr. S Varadarajan	Whole Time Director & Chief Growth Officer	-	125.11	-	5.13	130.24

*Represents aggregate of the Company's contributions to Superannuation Fund and Provident Fund.

Mr. Malay Mukherjee ceased to be a Director of the Company w.e.f. January 29, 2022 due to his sad demise.

Notes:

- No sitting fees was paid to any Directors for attending Meetings of the Board and Committees.
- The Company has neither advanced loans nor granted any stock options to any Directors during the year.
- Notice period for termination of Executive Directors shall be 6 (six) months on either side. No severance pay is payable on termination of appointment.

D. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee (CSR) of the Board of Directors of the Company comprises of following Members:

- Ms. Vijaya Sampath, Independent Director and Chairperson
- Mr. Amit Goela, Non – Executive Non – Independent Director and Member of the Committee w.e.f July 19, 2021
- Mr. Rajiv Mittal, Executive Director and Member of the Committee
- Mr. S Varadarajan, Executive Director and Member of the Committee

The constitution and terms of reference of the Corporate Social Responsibility Committee are in conformity with the Act and SEBI LODR and covers all the matters specified under Section 135 of the Act. The key role of CSR Committee includes:

- formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company
- formulating and recommending to the Board Annual Action Plan for CSR
- recommending the amount of expenditure to be incurred on CSR activities of the Company
- reviewing the performance of CSR activities undertaken by the Company.

During the year under review, the Corporate Social Responsibility Committee met 2 (two) times on May 31, 2021 and March 26, 2022. The quorum was present in all the Meetings. The Public Relation Officer (PRO) is in charge of CSR activities and Chief Financial Officer are invited to the Meetings of the Committee and all other officials, experts and representatives concerned from external/ implementing agencies are invited to the Meeting(s) of the Committee on case to case basis. All the Members of the Committee were present at the last Annual General Meeting of the Company held on August 25, 2021.

The details on composition, category of members and their attendance to the Committee Meetings held during the year are covered in the table given on page no. 96 of this report.

E. Risk Management and Monitoring Committee

The Risk Management and Monitoring Committee comprises following Members:

- Mr. Ranjit Singh, Independent Director and Chairman of the Committee w.e.f February 11, 2022
- Mr. Milin Mehta, Independent Director and Member of the Committee w.e.f February 11, 2022

- Mr. Rajiv Mittal, Executive Director and Member of the Committee
- Mr. S Varadarajan, Executive Director and Member of the Committee

The constitution and terms of reference of the Risk Management and Monitoring Committee are in conformity with the Act and SEBI LODR and covers all the matters specified under Regulation 21 of SEBI LODR.

The Risk Management and Monitoring Committee assists the Board in their responsibilities of overseeing the risk Management policies and processes and the Company's exposure to unmitigated risks. The Committee reviews the business issues in depth and recommends various solution and risk management framework including amendments to various policy decisions, strategies and ensures mitigation/ minimisation of risks from business, to the extent required and necessitated.

The Committee's terms of reference are very wide. The main responsibility of Risk Management and Monitoring Committee are as follows:

- implementation of risk Management Systems and framework;
- review of the Company's financial and risk Management policies;
- assessment of risk and procedures to minimise the same;
- to monitor the various operational and other business related issues including the new/ ongoing projects;
- risk aspects arising out of the project/business and other specific matters directed by the Board.

During the year under review, the Risk Management and Monitoring Committee met 3 (three) times i.e. on August 10, 2021, November 12, 2021 and March 25, 2022. The requisite quorum was present in all the meetings. The Chief Executive Officer, Chief Financial Officer, Company Secretary, Cluster Heads, Functional Heads and other officials/external consultants, as appropriate, are invitees to the Committee Meeting(s).

The details of composition, category of Members and their attendance to the Committee Meetings held during the year are covered in the table given on page no. 96 of this report.

F. Overseas Investment Committee

The Company has 23 Subsidiaries/ Associates/JVs spread across different geographies and as part of good Corporate Governance, your Board has constituted Overseas Investment Committee to monitor and review compliances and investments made into various entities of the group. The Committee also engages external experts on Overseas Direct Investments to review/ monitor and advise the Company from the compliance perspective for revamping/restructuring the group structure.

During the year, 1 (one) meeting of Overseas Investment Committee of the Board of Directors of the Company was held on November 12, 2021.

The details of composition, category of members and their attendance to the Committee Meetings held during the year are covered in the table given on page no. 96 of this report.

4. Affirmations & Disclosures

4.1 Compliance with Corporate Governance Requirements:

The Company has complied with the requirements of Part C of Sub-Paras (2) to (10) of Schedule V of the SEBI LODR.

Disclosure on mandatory requirements of SEBI LODR:

The Company has complied with Corporate Governance requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 of the SEBI LODR and necessary disclosures thereof have been made in this Corporate Governance Report. The Compliance Status of the Company on respective regulations is as given below:

Regulation	Particulars of Regulation	Compliance Status
17	Board of Directors	Yes
18	Audit Committee	Yes
19	Nomination and Remuneration Committee	Yes
20	Stakeholders Relationship Committee	Yes
21	Risk Management and Monitoring Committee	Yes
22	Vigil Mechanism	Yes
23	Related Party Transactions	Yes
24	Corporate Governance Requirements with respect to subsidiary of listed entity	Yes
25	Obligations with respect to Independent Directors	Yes
26	Obligations with respect to Directors and Senior Management Personnel	Yes
27	Other Corporate Governance Requirements	Yes
46(2)(b) to (i)	Disclosures on website	Yes

Compliance with adoption of discretionary requirements of SEBI LODR and the Act:

a. Shareholders rights

The Company publishes its quarterly and annual financial results in English Newspaper having nationwide circulation and in regional language newspaper. The said results of the Company are also published on its website: www.wabag.com. The said results are sent to the registered e-mail addresses of Members, if requested.

b. Modified opinion in Audit Report

During the year under review, there is no audit qualification on Company's Financial Statements. The Company continues to adopt best practices to ensure unmodified audit opinion.

c. Reporting of Internal Auditor

The Internal auditor and the Corporate Assurance Team of the Company reports directly to the Audit Committee.

4.2 Related Party Transactions

The Audit Committee of the Board consider(s)/approve(s)/ratifies the overall limit for the related party transactions with each of the related parties by way of an omnibus approval. All related party transactions entered by the Company are covered in the statement circulated/provided to the Audit Committee on quarterly basis along with the details of overall omnibus approval / ratification by the Audit Committee from time to time.

In Compliance with SEBI LODR only those Members of the Audit Committee, who are Independent Directors, approve the related party transactions.

Pursuant to Section 188 of the Act and Regulation 23 of the SEBI LODR the Company has formulated a policy on Materiality of Related Party Transactions and on Dealing with Related Party Transactions. The policy is available on the website of the Company at the link https://www.wabag.com/compliances. The Company's major related party transactions are generally with its Subsidiaries, JV and Associate entities. There were no materially significant Related Party Transactions of the Company which have potential conflict with the interest of the Company at large.

The transactions with related parties are in compliance with Section 188 of the Act and Regulation 23 of the SEBI LODR as amended from time to time.

During the year under review, all Related Party Transactions entered into by the Company were at arm's length basis and in the ordinary course of business.

The details of the related party transactions entered during the year and disclosures as required by the Indian Accounting Standards (IND AS 24) are made in Note 38 of the Financial Statements.

A certificate confirming that all the Related Party Transactions entered into by the Company are in the ordinary course of business and are at arm's length basis is issued by the Chief Financial Officer of the Company every quarter and the said certificate is placed before the Board of Directors and Audit Committee at their Meeting(s).

4.3 Dealing in Company Securities

Pursuant to the provisions of Regulation 26(6) of SEBI LODR, the Promoter(s), Director(s) and Key Managerial Personnel of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any Members or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

4.4 Disclosure by Directors and Senior Management Personnel

The Board Members and Senior Management Personnel of the Company make disclosures to the Board periodically regarding:

- their dealings in the Company's shares; and
- all material, financial, commercial and other transaction with the Company;

Where they have personal interest, stating that the said dealings and transactions, if any, have no potential conflict with the interests of the Company at large.

4.5 Capital Market Compliance matters

The Company has complied with all the applicable rules and regulations prescribed by stock exchanges (NSE/BSE), Securities Exchange Board of India, or any other Statutory Authority relating to the capital markets. No penalties/strictures were imposed on the Company during the last 3 (three) years.

4.6 Disclosure of commodity price risks and hedging activities

As the Company is not engaged in commodity business, commodity risk is not applicable. The foreign exchange risks are managed/hedged to the extent deemed necessary.

4.7 Disclosure on Accounting Standards

The Company has followed the relevant Accounting Standards notified by the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, while preparing Financial Statements. Kindly refer page nos. 145 and 208 of the Financial Statements (standalone and consolidated respectively) for significant accounting policies adopted by the Company.

4.8 Whistle Blower Policy/ Vigil Mechanism

The Company being committed to the high standards of Corporate Governance and Stakeholders responsibility, has adopted a Whistle Blower Policy and an effective Vigil Mechanism system to provide a formal mechanism to its Directors, Employees and other stakeholders to voice their concerns, if any, in a responsible, effective and transparent manner regarding suspected unethical matters involving serious malpractice, abuse or wrongdoing within the organisation and also safeguards against victimisation of Directors/Employees, Business Associates and the other stakeholders who avails the mechanism.

The Whistle Blower Policy has been posted on the Company's website at the link https://www.wabag.com/compliances/ .

The Whistle Blower Policy of the Company also lays down the process to be followed for dealing with complaints and in exceptional cases, also provides for direct appeal to the Chairman of the Audit Committee. No personnel had been denied access to the Audit Committee. Any Whistle Blower has the option to approach the Committee Members and/or Chairman of the Audit Committee directly through electronic platform with their concerns, if any, and take up the matter accordingly without any interference or involvement of any suspected person.

During the FY 2021-22, 1 (one) complaint was received by the Committee Members /Chairman of the Audit Committee and necessary action has been taken by the Committee and reported to the Audit Committee.

4.9 CEO/CFO Certification

A certificate by the Chairman cum Managing Director & Group CEO and the Chief Financial Officer of the Company ("**MD/CFO**") confirming that the limited review/ audited financial results for the quarter/ year ended respectively do not contain any false or misleading statements or figures and do not omit any material fact which may make the statements or figures contained therein misleading is placed before the Board every quarter along with the financial results.

Pursuant to Regulation 17 of SEBI LODR, the Chairman cum Managing Director & Group CEO and the Chief Financial Officer have positively certified to the Board of Directors of the Company at their Meeting held on May 27, 2022, with regard to the Financial Statements and other matters specified in the said regulation, for the Financial Year 2021-22. The said certification is placed on page no. 112 of this report.

4.10 Governance of Subsidiary Companies

- The Company does not have any listed subsidiary entities in India or overseas. The subsidiary entities are managed by their respective Boards/ Management team having the rights and obligations to manage such Companies in the best interest of their Stakeholders. The cluster/ business heads of group entities report to Management/Board of the Company on periodical basis.
- The Board of Directors reviews the minutes of the Board Meetings and statements of the significant transactions and arrangements, if any, of Subsidiary entities on a periodical basis.
- The Financial Statements of the subsidiary entities, along with investments made by them, if any are reviewed by the Audit Committee.
- The Audit Committee reviews the utilisation of loans and/ or advances from/investment by the holding Company in the subsidiary entities exceeding INR 100 Crores or 10% of the asset size of the Subsidiary, whichever is lower including existing loans / advances / investments, as applicable.

As on the date of this report, your Company has one Material Subsidiary i.e. VA Tech Wabag GmbH, Austria.

The Policy for determining material subsidiaries has been uploaded and can be accessed on the Company's web link: https://www.wabag.com/compliances/ .

4.11 Code of Conduct

The Company has adopted a Code of Conduct for all employees including the Members of the Board and Senior Management personnel in compliance with Regulation 26(3) of SEBI LODR and the same has been circulated to all the Directors and Senior Management personnel. All Members of the Board and Senior Management personnel have affirmed compliance with the said code of conduct for FY 2021-22. A copy of the Code has been uploaded on the Company's website www.wabag.com. A declaration signed by the Company's Chairman cum Managing Director & Group CEO to this effect is published along with this Report.

4.12 Code for Prevention of Insider Trading Practices

The Company has adopted a Code of Conduct for Prevention of Insider Trading and a Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information in Compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 ("**SEBI PIT Regulations**"), as amended from time to time.

The said SEBI PIT Regulations applies to Directors, Designated Persons, Senior Management Personnel, persons forming part of the Promoter(s) & Promoter(s) Group, Connected Persons, Insiders as defined under the said code and such other employees and Stakeholders of the Company, who are expected to have access to unpublished price sensitive information relating to the Company.

Pursuant to the Company's SEBI PIT Regulations, Designated Persons and their immediate relatives make disclosures of their holdings of shares to the Compliance Officer within 30 (thirty) days from the end of every half year.

During the year under review, the Company has duly complied with SEBI PIT Regulations.

4.13 Sexual Harassment of Women at Workplace

During the FY 2021-22, no case was reported to the Internal Complaints Committee (ICC).

The status of complaints received and resolved during the year are as follows:

Number of complaints filed during FY 2021 – 22	: NIL
Number of complaints disposed off during FY 2021 – 22	: NIL
Number of complaints pending as on end of FY 2021 – 22	: NIL

4.14 Credit Rating

The India Ratings & Research, the credit rating agency, has rated the Bank facilities of the Companies as "IND A+ with Stable Outlook". Please refer to the Board's Report for further details.

4.15 Disclosure in respect of Unclaimed Suspense Account

None of the shares issued during Initial Public offer were lying in the "**VA TECH WABAG LIMITED – UNCLAIMED SHARES DEMAT SUSPENSE ACCOUNT**".

4.16 Reconciliation of Share Capital Audit

In accordance with the requirements of SEBI, an audit is carried out by an Independent Practicing Company Secretary (PCS) every quarter with a view to reconcile the total share capital admitted with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and shares held in physical form, with the issued and listed capital. The Certificate issued by PCS in this regard is duly submitted to the stock exchanges by the Company.

4.17 Auditors Fee

The particulars of total fees paid to statutory auditors are provided in Note 35 to the consolidated Financial Statements.

4.18 Details of Public Funding obtained in the last 3 (three) years

The Company has not obtained any Public funding during the last 3 (three) years. However, the Members of the Company had passed a special resolution at the 25th Annual General Meeting (AGM) held on September 23, 2020, approved the issue of Equity shares on preferential basis. Pursuant to the Members approval, the Board of Directors of the Company on September 29, 2020, allotted 75,00,000 Equity shares of face value of INR 2/- each at INR 160/- per share (including premium of INR 158/- per share) to the following investors on preferential basis:

S. No.	Names	Category	No. of Shares
1.	Ms. Rekha Rakesh Jhunjhunwala	Individual - Public	5000000
2.	Ms. Sushma Anand Jain Mr. Anand Jaikumar Jain (Joint holding)	Individual - Public	1000000
3.	Basera Home Finance Private Limited	Company - Public	1500000
	TOTAL		7500000

4.19 Recommendation of Mandatory Committees

In terms of the amendments made to the SEBI LODR, the Board of Directors confirm that during the year, it has accepted all recommendations received from its mandatory Committees.

4.20 Compliance Certificate on Corporate Governance

In accordance with Schedule V of SEBI LODR, a certificate from Mr. M. Damodaran, Managing Partner M. Damodaran & Associates LLP, Practicing Company Secretaries, confirming compliance with conditions of Corporate Governance as stipulated under SEBI LODR is forming part of this Annual Report.

The Company has also received certificate from them confirming that none of the Directors are disqualified pursuant to Section 164 of the Act and is forming part of this Annual Report.

5. General Body Meetings

5.1 Annual General Meetings

Details of last 3 (three) AGM and the summary of Special Resolutions passed therein are as under: -

Financial Year	Date	Time	Location	Special Resolutions approved/passed
2020 – 21 (e-AGM)	August 25, 2021	3:00 PM (IST)	WABAG House, No. 17, 200 Feet Thoraipakkam – Pallavaram Main Road, Sunnambu Kolathur, Chennai – 600 117	1) Appointment of Mr. Ranjit Singh (DIN: 01651357) as an Independent Director 2) Appointment of Mr. Amit Goela (DIN: 01754804) as Non – Executive Non – Independent Director
2019 – 20 (e-AGM)	September 23, 2020	3:00 PM (IST)	WABAG House, No. 17, 200 Feet Thoraipakkam – Pallavaram Main Road, Sunnambu Kolathur, Chennai – 600 117	1) Appointment of Ms. Vijaya Sampath (DIN: 00641110) as an Independent Woman Director 2) Issue of Equity Shares on Preferential Basis 3) Issuance of securities by way of Private Placement/ Preferential Allotment/ Further Public Offer
2018 – 19	August 13, 2019	10:30 AM (IST)	Rani Seethai Hall, 603, Anna Salai, Chennai - 600 006	1) Appointment of Mr. Milin Mehta (DIN: 01297508), as an Independent Director

5.2 Special Resolutions passed through Postal Ballot

During the year under review, a Special Resolution was passed by the Members through Postal Ballot to approve request received from Mr. Shiv Narayan Saraf, Promoter, for re-classification from "Promoter and Promoter Group" category to "Public" category. Pursuant to the said approval, the Company has filed/submitted necessary applications/documents/information with stock exchanges and awaiting their feedback/approval.

No Special Resolution was passed through Postal Ballot as on the date of this report.

6. Means of Communication

The Company follows a robust process of communicating with its stakeholders and investors and gives a balanced reporting of its results and progress. Members seeking information may contact the Company directly throughout the year. The questions and issues raised by the Members are responded in a timely and consistent manner. Members also have an opportunity to ask questions in person at the Annual General Meeting ("**AGM**") of the Company. During the year, the AGM of the Company was conducted through Video Conferencing/ Other Audio Visual Means and the Members were provided an opportunity to ask questions during the meeting by registering themselves as Speaker. Some of the modes of communication are mentioned below:

a. Financial Results:

The quarterly and yearly approved financial results of the Company are forthwith filed with the Stock Exchanges, where the shares are listed, and also published normally in widely circulated national newspapers such as the "**Business Standard**" and the local vernacular daily newspaper "**Makkal Kural**" (Tamil edition). The Financial results of the Company are also displayed on the Company's website www.wabag.com.

b. News Releases, Presentations etc.:

Official press releases, presentations made to the media, analysts, institutional investors, etc. are disseminated to the stock exchanges in the prescribed format and are displayed on the Company's website www.wabag.com. An analysis of the various means of dissemination of information during the year under review is produced in table below:

Means of Communication	Frequency
Press/ Media Release	7 times
Earnings Call/Investors Meet/ Business update speech	3 times
Publication of results	4 times

c. Institutional Investors / Analysts:

The schedule of institutional investors/financial analyst's meetings are intimated in advance to the stock exchanges and disclosed on the Company's website. Presentations are made to institutional investors and financial analysts, on the audited/unaudited financial results of the Company. These presentations are also uploaded on the Company's website www.wabag.com and are filed with stock exchanges.

d. Website:

The Company's website www.wabag.com contains a separate dedicated section 'Investor Relations' where Members information is available. The information such as Press Releases on Financial Results, other matters, Notice of Board Meeting, outcome of Board Meetings, Policies, revision in credit rating, clippings of newspaper publications and other Shareholder communications are uploaded on the website from time to time.

e. Annual report:

The Company's Annual Report containing, inter-alia, the Board's Report along with relevant annexures, the Corporate Governance Report, Management Discussion and Analysis Report, Business Responsibility Report, Audited Standalone and Consolidated Financial Statements, Auditors' Report and other important information is circulated to Members and others so entitled. The annual report is also available on the website of the Company in a user friendly and downloadable form.

f. Chairman's speech:

Chairman speech made at the 26^{th} AGM is made available on the Company's website.

g. Reminder to Shareholders:

In accordance with IEPF rules, if a Member of the Company has not claimed the dividend declared by the Company for a period of 7 (seven) consecutive years, then the said unclaimed dividend along with the corresponding shares held by them are being transferred to the IEPF and no further claim can be made to the Company on such dividend/shares.

The Company sends periodical reminders/ communication to all those Members whose dividend is unclaimed/ unpaid for a period of 7 (seven) years. The Company encourages the Members to approach the Company/ RTA with appropriate documents to encash their unclaimed/ unpaid dividend before the said dividend / corresponding shares are transferred to Investor Education and Protection Fund, in compliance with the IEPF Rules as amended from time to time.

Members are requested to write to the Company / RTA to claim their unclaimed dividend(s), if any.

h. Compliances with Stock Exchanges:

The National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) maintain separate online portals i.e. "**NEAPS**"/ **Digital Exchange** and "**BSE Listing Centre**" respectively for electronic submission of information by listed Companies. Various communications such as notices, press releases, the regular quarterly, half-yearly and annual compliances and disclosures are filed electronically on these portals. In addition, such disclosures and communication are hosted on the Company's website www.wabag.com.

A duly signed quarterly compliance report on Corporate Governance in the prescribed format has been submitted to the stock exchanges where the Company's equity shares are listed and placed before the Board at their meetings held after the said submission.

Designated Mail Id: The Company has designated mail ID for Members services: companysecretary@wabag.in.

i. Communication to shareholders on e-mail:

The Company sends the documents like Notices, Annual Report, reminder letters for claiming unclaimed dividend, etc. to the Members at their email address, as registered with their Depository Participants/ Company/ Registrar and Transfer Agents (RTA). This helps in prompt delivery of document, reduce paper consumption, save trees and avoid loss of documents in transit.

Members who have not yet registered their email id (including those who wish to change their already registered email id) may get the same registered/ updated with their depository participants.

As a matter of good governance and to prevent any fraudulent transactions, Members are advised to exercise due diligence and notify the Company/ RTA of any change in communication address including e-mail address or demise of any Member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

j. Dissemination:

The Company has a policy on the determination of materiality for disclosure of events or information. The said policy is also available on the Company's website www.wabag.com.

k. Investor Relations:

The Company's Investor Relations (IR) serves as a bridge for two-way Communication of information and insights between the Company and the investor community. On the one hand, this seamless channel of communication enables the investment community to be aware of the Company's business activities, strategy and prospects and allows them to make an informed judgement about the Company. On the other hand, the Company receives valuable inputs and feedback from the investor community which are given due consideration and factored into future plans and strategies. The Company has designated e-mail ID for Investor Relations: investors@wabag.in .

7. SEBI Complaints Redress System (SCORES):

SEBI vide its circular dated March 26, 2018 issued new policy measures w.r.t. SEBI Complaints Redress System (**SCORES**). As per the new process, SEBI has requested the Members to approach the Company directly at the first instance for their grievance, if any.

8. General Shareholder Information

8.1 Company Registration details	Registered in the State of Tamil Nadu, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L45205TN1995PLC030231
8.2 Company address for correspondence and details of Registrar to Issue and Share Transfer Agents	Given under Corporate Information Section of this Annual Report
8.3 Company Secretary & Compliance Officer	**Mr. R Swaminathan** **VA TECH WABAG LIMITED** **'WABAG HOUSE'** **No.17, 200 Feet Thoraipakkam – Pallavaram Main Road,** **Sunnambu Kolathur, Chennai 600 117, Tamil Nadu** **Phone: 91-44-6123 2323 Fax : 91-44-6123 2324** **Email:** companysecretary@wabag.in
8.4 Annual General Meeting	Day & Date : Wednesday, August 24, 2022 Time : 3.00 P.M. (IST) Venue: Through Video Conferencing ("**VC**") / Other Audio Visual Means ("**OAVM**")
8.5 Financial Calendar	Financial Year: April 01 to March 31 For the financial year ended March 31, 2022 results were announced on:

Quarter ended	Date of results
June 30, 2021	August 11, 2021
September 30, 2021	November 13, 2021
December 31, 2021	February 11, 2022
March 31, 2021	May 27, 2022

For the financial year ending March 31, 2023 results will be announced (tentatively) on:

Quarter ended	Tentative dates
June 30, 2022	By end of second week of August 2022*
September 30, 2022	By end of second week of November 2022*
December 31, 2022	By end of second week of February 2023*
March 31, 2023	By end of May 2023*

*Note: The above dates are tentative and Meetings will be held well within the prescribed time limit.

8.6 Dates of Book Closure	From Saturday, August 13, 2022 to Wednesday, August 24, 2022 (both days inclusive) for 27th AGM of the Company.
8.7 Listing Details	

Name & Address of Stock Exchanges	Stock Codes
BSE Limited (BSE) - Floor 25, PJ Towers, Dalal Street, Mumbai - 400 001.	**533269**
National Stock Exchange of India Limited (NSE) - Exchange Plaza, Block G, C1, Bandra- Kurla Complex, Bandra (East), Mumbai - 400 051.	**WABAG**
ISIN for depositories	INE956G01038

The Company has paid the annual listing fees to NSE & BSE and the custodian charges to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year ended March 31, 2022 within the prescribed time.

9. Market Price Data & Performance

A. Stock Performance

1. NSE and BSE – Monthly High/Low and Volumes

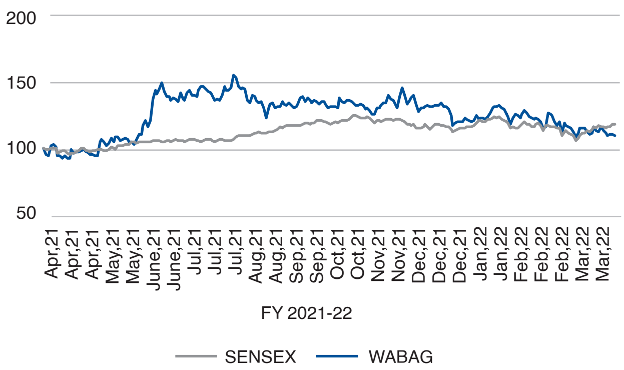
Month	NSE			BSE		
	High (INR)	Low (INR)	Monthly volume	High (INR)	Low (INR)	Monthly volume
April 2021	271.50	229.45	8729608	271.45	230.00	13,27,332
May 2021	289.00	239.00	12305532	289.10	239.20	13,58,227
June 2021	396.30	259.00	42539973	396.20	259.10	43,08,801
July 2021	383.90	342.00	8681003	383.55	341.00	11,99,535
August 2021	404.00	306.40	10290136	404.25	307.15	10,78,563
September 2021	361.70	331.00	4807677	361.50	300.00	4,54,079
October 2021	358.35	310.05	4465287	358.05	310.50	5,54,054
November 2021	375.00	318.90	10069345	374.80	297.80	10,94,152
December 2021	351.00	290.35	4008488	350.40	290.80	5,25,292
January 2022	349.65	295.05	7214615	349.00	295.00	7,71,930
February 2022	342.00	282.05	8978118	340.00	282.00	9,29,558
March 2022	310.00	275.40	6159935	306.05	275.90	7,61,341

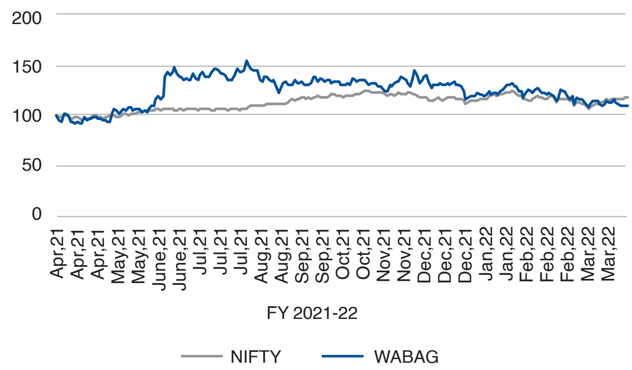
[*Source: This information is compiled from the data available from the websites of NSE and BSE*]

2. Share price performance during financial year 2021-22 in comparison to broad based indices - NSE Nifty and BSE Sensex

Month	VA TECH WABAG's Closing Price on NSE on the last trading day of month (INR)	BSE Sensex at the Close of last trading day of the month	NSE Nifty at the Close of last trading day of the month
April 2021	248.55	48782.36	14631.10
May 2021	268.15	51937.44	15582.80
June 2021	349.60	52482.71	15721.50
July 2021	369.80	52586.84	15763.05
August 2021	335.95	57552.39	17132.20
September 2021	332.80	59126.36	17618.15
October 2021	319.10	59306.93	17671.65
November 2021	332.30	57064.87	16983.20
December 2021	309.50	58253.82	17354.05
January 2022	313.70	58014.17	17339.85
February 2022	299.50	56247.28	16793.90
March 2022	280.40	58568.51	17464.75

Share performance in comparison to BSE Sensex and NSE Nifty





B. Share Capital Details: Distribution of Equity Shareholding as on March 31, 2022

Distribution of Shareholding as on March 31, 2022 (PAN based)

S No.	Range of shares	No. of Shareholders	% to Shareholders	Total No. of Shares	% to Equity
1	1 - 1000	107917	96.83	11436480	18.39
2	1001 - 2000	1889	1.69	2832781	4.56
3	2001 - 3000	596	0.53	1536039	2.47
4	3001 - 4000	303	0.27	1076603	1.73
5	4001- 5000	192	0.17	905615	1.46
6	5001 - 10000	281	0.25	2092527	3.36
7	10001 - 20000	132	0.12	1858673	2.99
8	20001 - 30000	47	0.04	1200744	1.93
9	30001- 40000	21	0.02	746625	1.20
10	40001 - 50000	15	0.01	679855	1.09
11	50001 - 100000	26	0.02	1877740	3.02
12	100001 and above	33	0.03	35946746	57.80
	TOTAL:	**111452**	**100**	**62190428**	**100**

C. Shareholding Pattern as on March 31, 2022 is provided in Annual Return. Refer page no. 48 of Board's Report.

D. Categories of Equity Shareholders as on March 31, 2022 (PAN based)

Category	No of holders	Total Shares	% to Equity
Promoters	3	13495522	21.70
Foreign Institutional Investors/Foreign Portfolio Investor/NRI's/ Foreign Corporates	2232	12044832	19.37
Resident Individuals	103409	28475816	45.79
Mutual Funds	2	2121579	3.41
Body Corporates	568	3861555	6.21
Others	5238	2191124	3.52
Total	**111452**	**62190428**	**100**

E. Share Transfer System/Other Related Matters

Share transfer

KFin Technologies Limited erstwhile known as KFin Technologies Private Limited is the Company's Registrar and Transfer Agent ("**RTA**") for carrying out share related activities like transfer of shares, transmission of shares, transposition of shares, name deletion, change of address, amongst others. All the documents received from Shareholders are scrutinised by the Company's RTA. The shares lodged for transfer etc. are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects. The Stakeholders Relationship Committee ("**the Committee**") has delegated the authority for approving transfer, transmission etc., of the Company's securities to the Managing Director & Group CEO / Chief Financial Officer / Company Secretary.

A summary of approved transfers, transmissions, deletion requests, etc., if any, are subsequently placed before the Committee of the Board from time to time as per SEBI LODR. Pursuant to Regulation 40(9) of the SEBI LODR as amended from time to time, the Company obtains certificate from a Practicing Company Secretary on a half-yearly basis to the effect that all the transfers, if any, are completed within the statutory stipulated period. A copy of the certificate, so received, is submitted to both Stock Exchanges, where the shares of the Company are listed.

Nomination facility for Shareholding

As per the provisions of Section 72 of the Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Share Department of the Company or download the same from the Company's website. Members holding shares in dematerialised form should contact their respective Depository Participant (DP) in this regard.

Permanent Account Number (PAN)/ Bank Mandate

Members who hold shares in physical form are advised that SEBI has made it mandatory that a copy of the PAN card of the transferor(s), transferee(s), surviving joint holders/legal heirs be submitted to the Company while obtaining the services of transfer, transposition, transmission and issue of duplicate share certificates.

In Compliance with SEBI's circular dated April 20, 2018 pursuant to which the Company has written to Members holding shares in physical form requesting them to furnish details regarding their PAN and also their bank details for payment of dividend through electronic mode. Those Members who have not acted/responded to the Company's request in this regard are once again requested to take action in the matter at the earliest.

F. Dematerialisation of Shares

99.99% of Company's equity shares representing 62190428 equity shares have been dematerialised as on March 31, 2022. Trading in equity shares of the Company is permitted only in dematerialised form. Break up details of shares in physical and demat form as on March 31, 2022:

Mode of holding	Total Shares	% to Equity
Physical Segment	2366	0.00
DEMAT Segment		
N S D L	48864654	78.58
C D S L	13323408	21.42

In terms of the Regulation 40(1) of the SEBI LODR as amended from time to time, except in case of transmission or transposition, requests for effecting transfer of securities of listed companies shall not be processed unless the securities are held in dematerialised form with a Depository. In view of the above, Members holding shares in physical form are requested to consider converting their holdings to dematerialised form.

Pursuant thereto, the Company has sent letters to those Members holding shares in physical form advising them to dematerialise their holding. Members holding shares in physical form are requested to dematerialise their holdings at the earliest as it will not be possible to transfer shares held in physical mode as per extension of the deadline announced by SEBI. For any clarification, assistance or information, relating to dematerialisation of shares please contact the Company/ RTA.

G. Liquidity

The Company's equity shares are actively traded on both NSE and BSE. Substantial increase in trading activity of the Company's equity shares was witnessed during FY 2021-22 as compared to FY 2020-21.

H. Outstanding ADRs/GDRs/Warrants or any Convertible Instruments, conversion date and likely impact on Equity

The Company has not issued any ADRs/GDRs/ Warrants or any convertible instruments.

10. Global presence: Given under Management Discussion and Analysis Report of this Annual Report.

DECLARATION ON CODE OF CONDUCT

To

The Members of VA TECH WABAG LIMITED

This is to confirm that the Board has laid down a Code of Conduct for all Board of Directors and Senior Management Personnel of the Company.

It is further confirmed that all Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company as at March 31, 2022, as envisaged in the 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

May 27, 2022
Chennai

Rajiv Mittal
Chairman cum Managing Director & Group CEO

CERTIFICATE

(Certification by CEO/CFO under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015)

To

The Board of Directors of VA TECH WABAG LIMITED

We have reviewed the financial statements and the cash flow statement of VA TECH WABAG LIMITED for the year ended March 31, 2022 and to the best of our knowledge and belief:

(a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectifying these deficiencies.

(d) We have indicated to the Auditors and the Audit committee that there are:

(i) no significant changes in internal control over financial reporting during the year;

(ii) no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;

(iii) no instances of significant fraud of which we have become aware and the involvement therein, if any, of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

May 27, 2022
Chennai

Skandaprasad Seetharaman
Chief Financial Officer

Rajiv Mittal
Chairman cum Managing Director & Group CEO

CERTIFICATE ON CORPORATE GOVERNANCE

To,

The Members of VA TECH WABAG LIMITED,
Chennai

I, M.Damodaran, Managing partner of M/S. M. Damodaran & Associates LLP have examined the compliance of the conditions of Corporate Governance by VA TECH WABAG LIMITED, Chennai for the year ended on March 31, 2022, as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**").

The compliance of the conditions of corporate governance is the responsibility of the Management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of corporate governance as stipulated in the SEBI Regulations during the year ended March 31, 2022.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

M. DAMODARAN
Managing Partner
M DAMODARAN & ASSOCIATES LLP
Membership No.: 5837
COP. No.: 5081
ICSI UDIN No.: F005837D000413508

Date: May 27, 2022
Place: Chennai

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members of VA TECH WABAG LIMITED

"Wabag House", No. 17,

200 Feet Thoraipakkam - Pallavaram Main Road,

Sunnambu Kolathur,

Chennai– 600117.

I, M. Damodaran, Managing Partner of M/s. M.Damodaran & Associates LLP, Practicing Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of VA TECH WABAG LIMITED having CIN - L45205TN1995PLC030231 and having registered office at "Wabag House", No. 17, 200 Feet, Thoraipakkam, Pallavaram Main Road, Sunnambu Kolathur, Chennai – 600117 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Mr. Rajiv Mittal	01299110	27/09/2000
2.	Mr. Milin Mehta	01297508	29/04/2019
3.	Ms. Vijaya Sampath	00641110	31/07/2020
4.	Mr. Ranjit Singh	01651357	11/11/2020
5.	Mr. Amit Goela	01754804	19/07/2021
6.	Mr. Subramanian Varadarajan	02353065	24/06/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

M. DAMODARAN
Managing Partner
M DAMODARAN & ASSOCIATES LLP
Membership No.: 5837
COP. No.: 5081
ICSI UDIN No.: F005837D000413508

Place: Chennai
Date: May 27, 2022

BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR)]

WABAG continues to be resource efficient and striving towards better environment management. Sustainability is an integral part of WABAG's business. Sustainable management of water, energy and waste have always been a priority at WABAG's business proposals, which the Company believes, shall also enhance Stakeholders' value in the long term. WABAG has made a sustained contribution in the quality of life well over a hundred million people. Sustainability and the spirit of giving back to society is our core philosophy and corporate citizenship is strongly embedded in the DNA of WABAG.

This Business Responsibility Report (BRR) conforms to the requirement of Regulation 34(2)(f) of SEBI LODR and the National Voluntary Guidelines (NVG) on Social, Environmental and Economic Responsibilities of Business released by Ministry of Corporate Affairs (MCA), Government of India. This Report provides a mandatory overview of activities / initiatives carried out by your Company under each of the nine principles outlined below.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company: **L45205TN1995PLC030231**
2. Name of the Company: **VA TECH WABAG LIMITED**
3. Registered address: **"WABAG HOUSE", No. 17, 200 Feet Thoraipakkam - Pallavaram Main Road, Sunnambu Kolathur, Chennai 600117, Tamil Nadu, India.**
4. Website: www.wabag.com
5. E-mail id: companysecretary@wabag.in
6. FY reported: **April 01, 2021 – March 31, 2022**
7. Sector(s) that the Company is engaged in (industrial activity code-wise):

GROUP	CLASS	ACTIVITY
360	3600	Water collection, treatment and supply
370	3700	Sewerage

8. The three key services that the Company provides in the field of water are as follows:
   a. Engineering, Procurement & Construction (EPC)
   b. Operation, Maintenance and Refurbishment & Lifecycle Partnership (O & M)
   c. Build Own Operate & Transfer (BOOT)
9. Total number of locations where business activity is undertaken by the Company
   (a) Number of International Locations (Major 5 regions):

   WABAG headquartered in Chennai, India has its presence in South-East Asia, Middle-East, Africa and Europe geographies through 23 direct and indirect Subsidiaries, JV's, Associates & Branches.

   (b) Number of National Locations: WABAG has 4 regional offices located at Delhi, Kolkata, Pune and Vadodara in India and presence in over 156 sites in India.
10. Markets served by the Company:

Local	State	National	International
✓	✓	✓	✓

SECTION B: FINANCIAL DETAILS OF THE COMPANY (As on March 31, 2022)

1. Paid up Capital (INR): INR 12,43,80,856/-
2. Total Turnover (INR in Lakhs): INR 2,17,087/-
3. Total profit after taxes (INR in Lakhs): INR 9,218/-
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%): 2% of average net profits of the Company made during the 3 (three) immediately preceding financial years. Please refer **Annexure IV** of the Board's Report
5. List of activities in which expenditure in No.4 above has been incurred: - Please refer **Annexure IV** of the Board's Report.

SECTION C: OTHER DETAILS

1. Does the Company have any Subsidiary Company/ Companies?

   Yes.
2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company? If yes, then indicate the number of such Subsidiary Company(ies).

   The BR initiatives of the Company are extended to the Subsidiaries/Associate/JV entities. In addition, these entities are also advised to adopt various other initiatives besides their own BR initiatives. The Company encourages its group entities to adopt its policies and practices, to the extent required for better governance.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) does business with, participate in the Business Responsibility (BR) initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

Yes. WABAG continues to promote BR initiatives in its value chain and encourage its suppliers, vendors etc., to adopt BR initiatives in their dealings with the Company. The size of the suppliers base are increasing for business requirements and the Company continuously engage its best efforts to enhance the participation in the Business Responsibility initiatives of the Company. At present, over 80% of its suppliers/ vendors participate in BR initiatives.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

1. DIN : 02353065
2. Name: S Varadarajan
3. Designation: Whole Time Director & Chief Growth Officer

(b) Details of the BR head

Sl No.	Particulars	Details
1	DIN (if applicable)	02353065
2	Name	S Varadarajan
3	Designation	Whole Time Director & Chief Growth Officer
4	Telephone Number	044 – 61232323
5	Email id	varadarajan@wabag.in

2. Principle-wise (as per National Voluntary Guidelines) BR Policy/Policies:

(a) The National Voluntary Guidelines (NVGs) on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine Principles of Business Responsibility.

Name of the Principles

P1 - Business Ethics
P2 - Product Responsibility
P3 - Employee Wellbeing
P4 - Stakeholders' Engagement
P5 - Human Rights
P6 - Environmental Protection
P7 - Public and Regulatory Policy
P8 - CSR
P9 - Customer Relations

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant Stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify?	Yes, the policies / process framed by the Company are prepared in accordance with the applicable laws and in line with the international standards, as applicable for the business operations of the Company and its group, as amended from time to time.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes, approved by the Board.								
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	Most of the relevant policies are disseminated and uploaded for information to the relevant Stakeholders and Employees. The statutory policies are available on www.wabag.com/compliances and certain management policies are available in the intralink facility for information of relevant Stakeholders.								

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
7.	Has the policy been formally communicated to all relevant internal and external Stakeholders?	Yes, the policies have been communicated to all internal/external Stakeholders, as the case may be and/or made available to the concerned based on their relevance.								
8.	Does the Company have in-house structure to implement the policy/ policies ?	Yes, the Company has established in-house structures to implement the policies.								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address Stakeholders' grievances related to the policy/ policies?	Yes, the Company continue to maintain its standards and commitment to its Stakeholders at all times thereby addressing their grievances and concerns, if any, from time to time through its in-house process and methods as explained below: **Employees:** Human resource grievance redressal system, Whistle Blower mechanism, Prevention of Sexual Harassment policy ("POSH"), etc., provides opportunity to report any concerns or grievances pertaining to any potential or actual violation of the relevant policies including remedial measures / action taken by appropriate Committee / Members to address such violation / concern, as the case may be. **Investors:** An Investor grievance mechanism is also in place to respond to any investor grievances on periodical basis. **Vendors / Contractors:** The Company also through various modes viz., open house forum, year end presentation, town hall and quarterly review meetings, discuss on various Stakeholders issues and take appropriate action to address such issues / concern. **Customer:** It also receives customer feedback on an annual basis and initiate necessary action for modification / amendment to such policies on a periodical basis based on feedback / legal / business requirements. **Society:** Any general public can approach the Company for any of their grievance on Company's activities by writing to wabag@wabag.in								
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	The implementation of the policies are reviewed / evaluated through internal control / audit function of the Company and/or periodically reviewed and monitored by internal / external members, as and when required.								

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options) – Not applicable

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, more than 1 year

The comprehensive BR performance will be assessed annually.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Business Responsibility Report forming part of Annual Report is available on the Company's website and can be accessed at www.wabag.com. Business Responsibility Report is published as and when applicable.

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

   Yes. WABAG has built trust with its Stakeholders by adhering and ensuring commitment to compliance, disclosure, responsible and ethical business conduct. WABAG's governance framework urge high standards of ethical and responsible conduct of business to create value for all the Stakeholders. WABAG's approach covers key principles of transparency, responsibility and accountability. Across the organisation, it strives to ensure highest levels of adherence to these principles through its policies like Code of Conduct for Board Members and Senior Management Personnel, Code of Conduct for Employees, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Policy on Prevention of Sexual Harassment, Whistle blower policy, Anti-Bribery policy etc. The codes and policies communicate our zero tolerance approach towards ethical violation and requirement for good culture of promoting ethics and integrity.

   WABAG's code of conduct covers the issues inter-alia related to ethics and bribery. It covers all dealings with suppliers, customers and other business partners, subsidiaries, joint ventures, associates and other Stakeholders. The Code guides the Directors, Senior Management personnel and employees to conduct themselves in professional, courteous and respectful manner and also to ensure their independent judgement are not impacted.

2. How many Stakeholder complaints have been received in the past FY and what percentage was satisfactorily resolved by the management? If so, provide details thereof.

   The Vigil Mechanism policy serves as a mechanism for its Directors, employees, business associates and other Stakeholders to report any genuine concerns about unethical behaviour, actual or suspected fraud or violation of the Code of Conduct. The Company has not received any significant complaints from Stakeholders in the previous financial year. The normal grievances, complaints of the Stakeholders are attended to and resolved on a periodical basis within the timeline prescribed under law.

   The Stakeholder's complaints arising out of dealing in securities of the Company have been addressed as part of investor services and the details of such cases handled by the Company during the FY 2021-22 are referred in Corporate Governance section of this Annual Report.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

WABAG is committed to provide innovative and sustainable water technology solutions to its customers.

Sustainability and Safety are the two guiding principles of WABAG's business. Its projects are not only technology intensive but tailor made to meet customer's critical needs. The number of desalination, zero liquid discharge and re-use plants that we build for our customers are testimony of our business philosophy on sustainability and has significant business presence in the global market both in the EPC and service sector of water business. WABAG provides innovative, entrepreneurial and empowered team committed to total customer satisfaction and value creation. Also, as part of business, customers prescribe safety and sustainability standards in its tender specifications for setting up their plants, which WABAG ensures adherence to such standards not only during engineering, procurement, construction but also in O&M of the said plant(s) wherever applicable.

1. List up to 3 (three) of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

   WABAG is committed to provide sustainable water solutions by way of reusing and recycling of water. We provide access to clean drinking water and treat municipal and industrial wastewater making it environment friendly.

   WABAG is a system integrator and provides designs, processes to address social and environmental concerns. In the perspective of UN SDGs 2030, WABAG's projects have contributed to the goals of clean water and sanitation, affordable and clean energy, good health and wellbeing, mitigation of climate change challenge, responsible consumption, production and economic growth.

   Three major product / service offerings that contribute in this regard are: Drinking Water Schemes, Municipal & Industrial Effluent Treatment and Sludge Management.

   WABAG is committed to safeguarding the health and safety of its Stakeholders by providing clean environment through technological innovation, training, procedures and bench-marking. This in turn improves the productivity and operational efficiency thereby complementing timely delivery of the project.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) **Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain?**

(b) **Reduction during usage by consumers (energy & water) has been achieved since the previous year?**

WABAG is engaged in providing technology water solutions to its clients by setting up plant(s) and / or providing O&M services through which safe and clean water made available for communities.

The projects executed by WABAG across the globe have an impact in enhancing quality of life of the people. A few projects undertaken by WABAG in recent years have an impact on improvement of environmental and social impact which are as follows:

- MRPL – 30 MLD Desalination Plant
- Melamchi Water Treatment Plant (WTP), Nepal
- Tertiary Treatment Reverse Osmosis (TTRO) Plant, Koyambedu, Chennai
- Waste Water Treatment Plant at Pappankalan, New Delhi
- Reliance C2 Complex - Effluent Treatment Plant (ETP) and Tertiary Treatment Plant (TTP), Gujarat

MRPL – 30 MLD DESALINATION PLANT

Mangalore is an 'Arabian Sea' port and a major commercial centre in Karnataka, India which experiences tropical monsoon climate. It receives 95% of its rainfall from the month of May to November. The first ever desalination plant in the state was constructed to encounter the water shortage which interrupts the power generation and the processing of crude oil at MRPL refinery. The construction of this desalination plant includes 1596 pile foundation work, 27000+ cu.m. RCC, total 2 kms of intake & outfall offshore pipeline, 24 nos. of Sump/tanks and 36 civil structures/buildings, 10 kms of GRP cross country piping works, 19 kms of GRP distribution piping works in desalination and refinery area, 150 kms cabling work, 140 nos. of pump erection installation.

Supply of water from WABAG's desalination plant is very vital for the functioning of the refinery of MRPL and this plant provides sustainability and water security to the refinery. The RO plant has addressed the possible risk of impact on refinery operation due to water shortage when nature fails. One of the significant cost of operating the desalination plant is power cost. WABAG has provided with energy saving devices in the plant such that significant quantum of power used in the plant is saved. This not only contributes to reduction of pollution but also cost competitiveness.

The dispersion technology used in the discharge of the brine from the desalination plant has all safety features that protects the aquatic life in the sea. We have included the feature of Neutralization of PH and residual chlorine in the desalination plant discharge and this protects environment safety. WABAG has installed solar energy based lighting equipment for the plant so that renewable energy is used. The in-house generation of sewage in the plant is treated in an STP installed as part of the overall scheme. WABAG is using special membranes in the plant for RO section that consumes much lower energy. This saves energy and also contributes to environment protection from emission of carbon.

Features of this project:

- First time in the history of WABAG, a 220Kv line and GIS station, 3 Electrical substations, 690V VFD driven High Pressure Pumps and most critical process pumps consisting of 26 nos. were commissioned ahead of schedule.
- The plant was commissioned in December 2021 and handed over to MRPL on April 10, 2022.
- Thereon WABAG has commenced operations & maintenance activities to ensure smooth functioning of the plant for the next 10 (ten) years.

ENERGY CONSERVATION / RECOVERY

Inorder to conserve energy waste, WABAG ensures adopting requisite designs in many projects. Some of the plants uses pressure exchanges which extracts energy from the waste high pressure brine and transfers it to the feed water thereby reducing the size of the high pressure pumps and energy consumed. This helps us to reduce the power consumption of the said plants.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

Yes

(a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof.

WABAG endeavours to integrate sustainability in the procurement of goods / products required for setting up / maintaining the plants / projects. The Company has a stated procurement procedures, policy manual and an environmental, occupation health and safety policy. Every supplier is advised to adhere to these policies. The team is in continuous pursuit to increase the degree of compliance with these policies with each passing year. The policy covers issues like health of their workers deployed, safety measures (helmet, rope, safety belt etc.) adopted, discharge from equipments, hygiene norms, and prevention of child or forced labour, etc. WABAG procures 30% of its equipment from international vendors from Europe and USA, where stringent compliance to environmental & safety standards are adhered to. Many of large vendors of WABAG in India too comply with E&S standards. Ethical buying aided by Whistle Blower policy.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

Yes, there are many MSME vendors who supply goods and services to WABAG has substantial (> 85%) indigenoused source in India for its STPs and encourage MSMEs.

(a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

WABAG awards most of its service contracts like security, canteen, employee transport, housekeeping and other repairs and maintenance, erection contractors through local sources neighbouring its sites, thus creating employment opportunities. WABAG deals in engineering products, most of the sourcing are from the organised sector. However, keeping in mind the need for community development, WABAG do procure some engineering / fabricated items from small producers (MSMEs) and WABAG help them improve their product quality through continuous collaboration to hone their engineering skills.

(b) Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof.

WABAG has always advocated the reuse of water conveyed through an often repeated slogan "Water is too precious to be used just once". Testifying to WABAG's pivotal position in the context of water reuse is the plant executed by WABAG at Windhoek, Namibia in 2002. The capacity of the reclamation plant total 21,000 3/d and the raw water used consists of treated municipal wastewater. The key process steps are: Oxidation and Pre-ozonation, Powdered Activated Carbon Dosing, Coagulation and Flocculation, Dissolved Air Flotation (DAF), Dual Media Filtration, Main Ozonation, Biological Activated Carbon Filtration (BAC), Ultrafiltration, Disinfection and Stabilisation. Since start-up, all the relevant standards have been fulfilled without difficulty for over 15 years in operation.

WABAG promotes recycling and the use of alternative energy sources, wherever possible. "WABAG HOUSE" Global Headquarters at Chennai was awarded as a PLATINUM rated Green Building by CII-IGBC under the "Existing Building O&M category" in the year 2018 for the best performance in the fields of "Water and Energy Performance Index" apart from various other measures taken for employee health and well-being. Pursuant to our continuous sustained efforts, WABAG was able to achieve enhanced performance and the certification as PLATINUM rated Green Building has been renewed for a further period of 3 (three) years from 2021 onwards. Also, with an efficient treatment and recycle mechanism in place, WABAG has successfully demonstrated the concept of recycle mechanism at WABAG HOUSE, in which the electricity requirements are almost completely met by Wind energy, with zero water wastage system in place and recycle about 30% of our total office materials consumed.

However, WABAG promotes the concept of recycling mechanism in some of the following:

Paper Waste is being sent to ITC Limited for recycling and th proceeds contained in the form of stationeries are distributed to local panchayat schools.

KMDA Sonarpur – 124 MLD WTP

Kolkata Metropolitan Development Authority (KMDA) had a requirement of 124 MLD capacity Water Treatment Plant with Space Saving Technology with treated water quality of less than 1 NTU at Rajpur-Sonarpur. The project was commenced on March 2018 and likely to be commissioned by June 2022.

Features of this project:-

1. 124 MLD WTP (23 hrs per day running basis)
2. Clear water reservoir of 18,000 m3 capacity with pumping station
3. 11 KV HT Electrical Sub - Station

Principle 3: Businesses should promote the well-being of all employees

WABAG provides a healthy and enjoyable working environment for its employees. As part of their wellbeing, the Company conducts various health related awareness sessions, provides master health checkups including vaccination drive, eye care, dental care etc. in offices and sites periodically.

WABAG provided the required safe environment to work in the office like disinfection of the entire workplace frequently, checking the employees oxygen level and providing sanitiser at work place / sites in line with the guidelines, providing mask and conducted COVID-19 vaccination drives for its employees, etc.

During COVID-19 outbreak, WABAG has provided all possible support to Employees admitted in the hospital for Covid treatment by coordinating with the insurance company and getting the reimbursement of the money spent by the employees. Moreover for the benefit of the employees individual coverage for medical insurance has been increased by 100% with family floater coverage, increased the eligibility limits for hospital room rent, ICU at actuals, maternity, cataract, etc. Additionally, all the requisite emergency information was updated on our centralised employee engagement platform for easy access.

The task force was connected as well with the employees and their family members who were affected by the Covid and also provided necessary timely assistance as and when required. Work from home options were given when flue affected.

As a staff welfare measure in vogue for long time, WABAG provides employment and other opportunities to the children of our employees post completion of their education. Also, provides permanent job for the outsourced employees when performs good.

1. Please indicate the Total number of employees.

   968 employees on rolls of the Company as on March 31, 2022

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

   Number of employees hired on contractual / consultant basis are 122 as on March 31, 2022. Over 10,000 persons were engaged by WABAG through its sub-contractors as part of its construction and O&M offering to its customers.

3. Please indicate the Number of permanent women employees.

   76 permanent women employees

4. Please indicate the Number of permanent employees with disabilities

   3 employees

5. Do you have an employee association that is recognised by management?

   NIL

6. What percentage of your permanent employees is members of this recognised employee association?

   NIL

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last FY and pending, as on the end of the FY.

   NIL

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

S. No	Details	Safety Training		Skill Development	
		No. of employees in %	Hours of training	No. of employees in %	Hours of training
a	Permanent employees	100	18,593.78	75	30702
b	Permanent women employees	100		68	1644
c	Casual / Temporary/ Contractual employees	100		25	6000
d	Employees with disabilities	100		100	49.5

Principle 4: Businesses should respect the interests of and be responsive towards all Stakeholders, especially those who are disadvantaged, vulnerable and marginalised.

WABAG stands for sustainability. The Company's wide array of offerings focuses on highest standards of treatment to preserve, rejuvenate and recharge natural water sources.

On the industrial front, WABAG has globally ensured that harmful industrial contaminants do not pollute the limited freshwater sources. Further, WABAG has contributed to maintaining the water balance by promoting treatment and recycle of industrial effluents to reduce the burden on freshwater resources.

Pure water is a prerequisite for every production process. In fact, a continuous supply of clean water is crucial for the production processes and decisive for the economic success of the industrial facility.

WABAG offers an extensive portfolio of treatment processes under various business models like EPC, DBO, BOT and BOOT. WABAG covers virtually every need from conventional processes to tailor-made high-performance systems (e.g. multiple barrier processes for water reclamation).

The projects executed in Paradip (Odisha, India), Indorama (Nigeria), Petrobrazi (Romania), and Prerov (Czech Republic) speak volumes for the client-confidence reposed in WABAG's technological expertise.

With the experience and expertise gained over 9 (nine) decades, WABAG is one among the world's most acknowledged experts in desalination. Our desalination technologies comprise both Reverse Osmosis and Thermal Desalination.

WABAG delivers end-to-end desalination solutions from deep seawater intake and outflow structures to the post-treatment of the product, water.

Our global references enable production of 10,00,000 m^3 of desalinated water every day, thus benefiting over 3.5 million people globally and ensuring water security for numerous industrial establishments.

Global references include the landmark projects at Nemmeli at Chennai, India, and Al - Ghubra at Oman, where we have ensured water security to a large population.

1. Has the Company mapped its internal and external Stakeholders? Yes/No

   Yes, WABAG has mapped its key internal and external Stakeholders such as Employees, Members, Lenders, Government and Regulatory Authorities, Local Communities, Suppliers and Contractors and NGOs.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalised Stakeholders?

   Yes, WABAG did identify its disadvantaged, vulnerable and marginalised Stakeholders. It also forms the basis of the Company's CSR initiatives design to make it more focused towards improving life quality of local community people.

   WABAG provides employment to the family members of employees on completion of their education, as an employee welfare measures.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalised Stakeholders? If so, provide details thereof.

   WABAG engages with its identified Stakeholders through various business and structured level engagements / programmes on an ongoing basis. We run specific programs under our "Corporate Social Responsibility" (CSR) umbrella focused on benefitting the disadvantaged vulnerable and marginalised communities. Our CSR Projects not only run around our operations, but are extended much beyond that.

Some of the Key initiatives taken by WABAG during FY 2021-22:

The KMDA project, WABAG has engaged with the local community and identified families affected by the setting up of the new facilities. In the Bally area, a Livelihood Restoration Programme (LRP) has been instituted, providing compensation, skill training and capacity building for fishermen whose livelihood was affected by setting up of the new facilities in the area. Commercial shop owners, hawkers and street vendors, who are affected by pipeline work have also been engaged with, and compensated for loss of income for the duration of business affected due to the project work.

Principle 5: Businesses should respect and promote human rights

WABAG ensures compliance with applicable laws of the land pertaining to human rights, in order to preserve the rights of all its internal and external Stakeholders. The compliance under this aspect is reviewed by the Management and Board of Directors from time to time.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

   Aspects of Human Rights such as Child Labour, Forced Labour, Occupational Safety, Non-discrimination are covered by various human resource policies and are strictly adhered by WABAG including Subsidiary / JV / Associates.

   Further, WABAG has formulated and circulated a policy on Prevention of Sexual Harassment at Workplace, Whistle-blower Policy and has created grievance redressal mechanism.

2. How many Stakeholder complaints have been received in the past FY and what percent was satisfactorily resolved by the management?

   There were no reported complaints on violation of human rights during the FY 2021-22.

Principle 6: Business should respect, protect and make efforts to restore the environment

As part of day to day operations, WABAG business is responsive towards its Stakeholders. For FY 2021-22, WABAG has disposed 2.4 tonnes of paper waste as against an average of 5.2 tonnes every year. This reduction in waste generation is due to various conservation activities such as double side printing of paper and automatic deletion of print command in the printer if print not taken within reasonable time. These papers are being sent to recycling to TNPCB Limited – authorised recycler ITC Limited for recycling. The proceeds of this recycled papers are obtained in the form of school stationeries like note book, pencils, erasers etc. which are being distributed to nearby government panchayat students who are in need of the same instead of being used/ converted as revenue to the Company. These sort of activities performed by WABAG are again in addition to and outside the purview of CSR activities of the Company.

In the process of such paper recycling, we are also conserving the environmental resources to the tune of 46 trees approximately which would have been cut if we are going for equivalent amount of stationery. This also being certified by "Wellbeing out of Waste" initiative by ITC Limited paper Board.

1. Does the policy related to Principle 6 cover only the Company or extends to the Group / Joint Ventures / Suppliers / Contractors / NGOs / others.

   WABAG has well-defined policies/principles in place relating to Environment, Social, Health and Safety Environment. These policies foster utmost employee safety and wellbeing which not only takes care of the wellness of employees but also the environment. At present the said policy extends to all personnel who are involved in the project

2. Does the Company have strategies / initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

   Yes, WABAG is certified for ISO 14001:2015, identifies environmental issues, impacts associated and take mitigation measures in EPC and O&M process.

   WABAG constantly endeavours to promote production of green power from bio-sludge at its wastewater treatment plants.

   MICROPUR® represents an in-house development by WABAG for advanced mechanical pre-treatment and includes an innovative fine sieving system. After a series of pilot plants, the first customer plant for the Ujams Industrial Park project in Windhoek, Namibia 2014 was installed for an MBR plant (MICROPUR-MBR®). The second customer plant - this time for a conventional activated sludge plant (MICROPUR-CAS®) - is now being implemented in Therwil.

   The main technologies to facilitate the elimination of micro pollutants are ozonation and activated carbon adsorption and their combination. Based on these basic processes, WABAG has developed and introduced the BIOZONE® process (ozonation & filtration), for adsorption with Powdered Activated Carbon (PAC) the PACOPUR® and with Granulated Activated Carbon (GAC) the CARBOPUR® process. Combinations of BIOZONE® with PACOPUR® or CARBOPUR® are also suitable and have been already realised. Furthermore, for tailor-made solutions the PAC adsorption can be combined with different filtration technologies, such as the conventional filtration: PACOPUR-SF® or with membrane filtration: PACOPUR-MF® as well as with a membrane bioreactor: PACOPUR-MBR® process.

   Replicating the success story globally and making a breakthrough in advanced water technologies with constant innovation, as proof of technological excellence on removal of micro pollutants, WABAG has successfully demonstrated the technology for elimination of micro-pollutants. WABAG has successfully applied this technology at 7 WWTPs having a cumulative capacity of over 150,000 m^3/d with an additional 11 WWTPs under construction.

   WABAG has been recently awarded an important order in this segment: Porrentruy WWTP for the removal of micro-pollutants with a PAC dosing directly into the membrane filtration plant. WABAG has emerged as the technology and market leader in Switzerland in this segment and continues to grow backed for innovation, thus transforming the market for elimination of micro-pollutants.

   The details are available in our website : www.wabag.com

3. Does the Company identify and assess potential environmental risks? Y/N

   Yes. WABAG has established an environmental aspect/impact process to identify and control potential environmental risks for all its activities.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?

   Yes. WABAG has been providing sustainable solution in the field of Water and Waste water sectors by ensuring adherence to environmental, ecological and other laws of land in all its projects, where it is set up or operated, through its innovative and technological methods.

   As part of our green initiatives, WABAG have been utilising wind energy for Global Headquarters energy consumption for last 6 years, which helped to reduce the carbon foot print. During the year, WABAG have achieved 96.67% of Wind energy on the total energy consumption at "WABAG HOUSE".

With respect to clean development mechanism and clean technology, WABAG has been focussing on Zero Liquid Discharge system (ZLD). Primarily, most of the Sewage Treatment Plants wherein the treated sewage after meeting the national standards is discharged to river and the sludge which is generated from sewage is used for further digestion generating gas and thereafter producing clean power to be used for plant operation thus ensuring Nil thermal power used from power grid and the sludge converted into manure for horticulture and agriculture. Plants are in operation at Dinapur, Uttar Pradesh, Bangalore, and Karnataka and in Guheshwori, Nepal etc.

With respect to industrial effluent, for most of the plants WABAG is advising for recycling and reuse the effluent recovered up to 90%. Such plants are set-up in

- Reliance – Jamnagar, Dahej and Hazira.
- IOCL Refineries - Panipat, Paradip and Nayara (formerly ESSAR Oil)
- Currently Company intends to set-up land-locked area, a recycling Zero Liquid Discharge plant located in NMDC, Nagarnar, wherein even after recovery of 90% water, balance water is treated through evaporators and thus generating Zero Liquid Discharge, the sludge generated is used as landfill.

WABAG is in constant innovation and has been ranked “4th Largest Globally among Top 50 Private Water Operators” by Global Water Intelligence (GWI) based on number of population that Company has covered through the treatment plants which it has constructed / operated.

With respect to technology, innovation, WABAG is currently working on advance membrane process for maximising the water recoveries and minimising operation cost.

In water scarcity areas in the coastal areas, Company has been setting up desalination plants (Reliance in Jamnagar, Adani’s in Mundra, MRPL in Mangalore, Nemmeli in Tamilnadu), wherein advance recoveries over 40% with latest energy recovery is in place and the concentrated discharge into sea without disturbing marine and fisheries requirements.

WABAG is constantly following all advance process of desalination keeping in mind environmental consensus with the clean technology, energy efficient and renewal energy with clean development mechanism.

The details of such projects are available in our website www.wabag.com and are also covered in the Annual report as response to questionnaire and/also covered in other sections of Annual Report FY 2021 – 22.

5. Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

   Yes. Green power production from sludge biogas has numerous advantages. It not only ensures the plant is self-sustaining but also helps earn carbon credits. The digested sludge is high in organic content and can act as a natural fertiliser high in N, P, K (nitrogen, phosphorus and potassium). WABAG has done Waste Water Treatment projects which focused on energy recovery from waste. This model involved sludge management and production of biogas which is then used as an energy source. The details of the projects related to Drinking water treatment, Desalination, Wastewater treatment, Sludge Treatment and Energy Recovery, Operation & Maintenance and Water Reclamation are available in our website www.wabag.com

   WABAG achieved 4 star rating by Confederation of Indian Industry (CII) for Excellence awards for Environment, Health & Safety (EHS).

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the FY being reported?

   WABAG’s business is not into the generation of any waste. We are treating the waste and the by-products generated from our plants such as sludge & biogas, which are within the permissible limits stated by CPCB/SPCB. The emissions generated are monitored by an external agency every year and the NABL reports are verified by Environment, Health & Safety function in order to ensure that compliances are within the limits. WABAG has an environmental legal monitoring system which ensures that it is updated regarding the CPCB/SPCB requirements and the same is complied with at all projects. The output is tested and strictly conform to the legal and statutory requirements.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of FY.

   WABAG has received one erroneous notice from one of its customers and the matter is sub-judice. Company is hopeful of disposal of the same very soon through its action in Court.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

WABAG actively participates in industrial forums and professional bodies to engage in proactive dialogue and have an understanding of policies and expectations of Stakeholders. The senior leadership team offers their expertise and insights during public policy formulation.

1. Is your Company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

   WABAG has always adhered to its principle of transparency through timely and adequate disclosure of information to public and regulatory bodies. The Company has been an active participant in representations to the regulatory bodies or trade associations on the matters relevant to the industry as a whole. As on March 31, 2022, the Company is a member of the following trade associations:

   a. Confederation of Indian Industry
   b. Madras Chamber of Commerce and Industry
   c. Indo-German Chamber of Commerce & Industry
   d. India Netherlands Business Council, Chennai
   e. International Water Association
   f. International Desalination Association
   g. Indian Desalination Association
   h. British Council
   i. Indian Environmental Association
   j. FICCI (Federation of India Chamber of Commerce & Industry)
   k. EEPC (Engineering Export Promotion Council)
   l. FIEO (Federation of Indian Export Organisations)

   In fact, some of our officials are serving on the Expert Committees of a couple of chambers.

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

   Yes, WABAG has represented before various forums on the following areas Energy Security, Comprehensive Water & Sanitation Policies and Sustainable Business Principles.

Principle 8: Businesses should support inclusive growth and equitable development

WABAG's main focus is to provide sustainable solutions for a better life. WABAG believes that social, environmental and economic values are interlinked and we belong to an Interdependent Ecosystem comprising Shareholders, Consumers, Associates, Employees, Government, Environment and Society. WABAG is committed to ensure a positive impact of its existence on all Stakeholders.

1. Does the Company have specified programmes / initiatives / projects in pursuit of the policy related to Principle 8? If yes, details thereof.

   Yes. We have programs / initiatives / projects that are designed to ensure the principle 8.

   The details of initiative are furnished in the **Annexure - IV** to the Boards Report.

   However, following are some of the projects in support of Principle 8:

   The Bally and Baranagar sites are coming up in rural areas located outside the city, where it is envisaged that the trickle-down benefits in terms of employment opportunity and improvement in infrastructure such as roads and improved sanitation will benefit the community.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organisation?

   Yes, it is undertaken through in-house team / external agencies / NGOs based on the proposal approved by CSR Committee. The CSR programmes of the Company are overseen largely by in house teams with the support of external experts.

3. Have you done any impact assessment of your initiative?

   Yes. The CSR programmes and their impacts/ outcomes are monitored and reviewed by the management periodically as also by the CSR Committee of the Board.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

   Details on the Company's CSR programmes on community development have been mentioned in **Annexure IV** to the Boards Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain.

   Yes. Most of our CSR programmes are participatory in nature and focus on institution development and capacity building. For instance, the construction of water harvesting structures (ponds) has empowered community and is a step in providing sustainable water solutions for irrigation purpose. Once WABAG creates community assets, the assets are maintained by the local community themselves by setting up a local village committee which we insist upon. This strategy impacts a sense of ownership among the communities.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

The Business of WABAG is to provide sustainable solutions for Drinking water treatment, Industrial and process water treatment, Water reclamation, Sea and brackish water desalination, Municipal waste water treatment, Industrial waste water treatment and sludge treatment by engaging and providing value to their customers and consumers in a responsible manner. WABAG also ensures recovery of precious metals and commodities while treating the water as part of their value creation to the customer.

1. What percentage of customer complaints/consumer cases are pending as on the end of FY.

   The Company has always been customer focused and has been attending to customer complaints and sorting out the issues on a continuous basis. Company is not dealing with any consumer products.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).

   Displaying of Product information on the product label is not applicable to WABAG. However, WABAG is in Infrastructure business in Water Sector, it displays Safety precautions in all Operation and Maintenance (O&M) projects.

   As part of prudent business practice, the Company hands over a project document to its client upon completion of its EPC project, which includes critical information relating to Operation & Maintenance manual, material records book, Performance guarantee test run, drawings and such other documents as may be required for the said projects, etc., for efficient and effective operation of the plant by the Client.

3. Is there any case filed by any Stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of FY. If so, provide details thereof.

   There has been no case filed by any Stakeholder against the Company during the last 5 years and as on March 31, 2022 regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour.

4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

   In our sector, repeat orders from key clients stand testimony to their faith in our expertise.

   WABAG has been receiving continuously repeat orders from Reliance Petroleum. Reliance placed the very first order on WABAG for an ETP for their large grassroot refinery in Jamnagar complex and they remain one of our most valued customers in Industrial Sector.

   Apart from Reliance, there are other repeat customers like Bangalore Water Supply and Sewerage Board (BWSSB), Delhi Jal Board (DJB), Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB), Orissa Water Supply and Sewerage Board, UP Jal Nigam, Bihar Urban Infrastructure Development Corporation, Kerala Water Authority, Kolkata Metropolitan Development Authority (KMDA) and Kolkata Municipal Corporation (KMC). The orders from other clients viz., Dangote Group, Nigeria, National Water Supply and Drainage Board, Sri Lanka, National Water Supply Corporation, Nepal, Societe Nationale d'exploitation et de Distribution des Eaux, ("SONEDE"), Tunisia, Public Utility Board, Singapore and EPC order from Public Authorities of Qatar (ASHGHAL) are some of other repeat orders / projects obtained based on our satisfactory performance of earlier projects/orders.

   Customer feedback are obtained on an annual basis. Visitor book at project sites are being maintained, comments are reviewed and suitable actions are taken to resolve the issues.

For and on behalf of the Board of Directors

S Varadarajan
Whole Time Director & Chief Growth Officer
(DIN: 02353065)

Date : May 27, 2022
Place: Chennai

Independent Auditors' Report

To the members of VA Tech Wabag Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying standalone financial statements of **VA Tech Wabag Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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

Basis for Opinion

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

Emphasis of Matter

We draw reference to the note 46 of the standalone financial statements which describes that the Company has been executing projects for Andhra Pradesh Power Generation Corporation Limited and Telangana Power Generation Corporation Limited as part of a consortium. The Company took over the projects as consortium leader in 2014-15 and a corporate insolvency resolution process was ordered against the erstwhile consortium lead member Tecpro Systems Limited ('Tecpro') in 2017-18. The net receivables on these projects of INR 38,714 Lakhs, its status and process of recoverability is explained in the aforementioned note. Our opinion is not modified in this regard.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significant in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key audit matter description and principal audit procedures
1	**Revenue recognition** Refer Notes 3.4, 13 and 23 in standalone financial statements The Company recognises revenue and margin on the stage of completion based on the proportion of contract costs incurred relative to the estimated total costs of each contract (referred to as 'percentage of completion method'). The recognition of revenue and margin therefore relies on estimates in relation to the estimated total costs on each contract. Cost contingencies may also be included in these estimates to take account of specific uncertain risks arising within each contract. These cost estimates are reviewed by the Company on a regular basis during contract execution and adjusted where appropriate. There is significant judgement by the management of the Company in estimating the amount of revenue and margin to be recognised by the Company up to the balance sheet date and changes to these estimates could give rise to material variances, hence revenue recognition has been considered as a key audit matter.
	Our procedures include the following: • Evaluate and test key controls in the management processes in relation to recognition of revenue and margin including: - the preparation, review and authorisation of contract review sheets for contracts which contains estimated total costs for the contracts including cost contingencies - the project reviews that are undertaken by the Company's management - the controls in relation to accrual of cost towards materials and services • Recalculate revenue recognised under the percentage of completion method on a test basis • Evaluate the financial performance of contracts against budget / earlier year estimates and obtain reasons for significant variances thereto • Test the contract value, costs incurred to date including the costs accrued for work completed, total estimated contract costs for a sample of contracts selected based on factors such as value of contracts, material new contracts and contracts where significant risks have been identified by the management of the Company • Conduct site visits on a test basis to confirm our understanding of the risks and controls at site level
2	**Dues from customers (unbilled) and Trade receivables** Refer Notes 3.10, 6, 13, 33 and 46 in standalone financial statements The Company measures revenue to be recognised based on the contract costs incurred till the reporting date over the total estimated costs for each contract. Such revenue recognised in excess of progress billing till the reporting date is presented as 'Dues from customers' which are yet to be billed to the customers. Such Dues from customers are accounted based on the contractual terms and management's assessment of recoverability from customers. The management of the Company also assesses the recoverability of Trade receivables including those which have remained unsettled beyond contractual credit period using judgement and past collection trends in similar contracts and customers. The management of the Company estimates and recognises allowance for expected credit losses on Trade receivables and Dues from customers which involves estimation of expected default and/or delay in the customers]making payment over the duration of the contract and realisability of Dues from customers, considering the past trend and its assessment on the reporting date. The valuation of Dues from customers and Trade receivables involves significant management judgement and estimates as stated above, and hence it has been considered as a key audit matter.

Independent Auditors' Report (Contd.)

S. No	Key audit matter description and principal audit procedures
	Our procedures include the following: • Evaluate management's processes and controls in respect of Dues from customers and Trade receivables for the following, - risk assessment pertaining to invoicing and recoverability - assessment of the probability of default and delay - assessment of the significant increases in credit risk, if any • Request confirmation of balances from customers having significant outstanding balances as at the reporting date • Review the project progress, invoicing and collection history of customers with significant Dues from customers or Trade receivables. Discuss with the project team to understand the management's assessment of risk associated with recoverability • Analyse the past trend and inquire into the reasonableness of expected credit loss allowance matrix developed by the management of the Company for estimating the allowance for Trade receivables • Consider the subsequent events and collections in assessing the recoverability of Dues from customers and Trade receivables • Consult legal counsel wherever necessary for legal disputes to assess the valuation of Trade receivables

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Board of Directors of the Company is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report and Report on Corporate Governance, but does not include the standalone financial statements and our report thereon.

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

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

Responsibilities of management and Those Charged with Governance for the Standalone Financial Statements

The Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone 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 Ind AS prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud and error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance whether the standalone 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 Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- identify and assess the risks of material misstatement of the standalone 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 Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements 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 the 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint operations to express an opinion on the standalone financial statements

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure 'A' to this report, a statement on the matters specified in para 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit

   (b) in our opinion, proper books of accounts 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 Statement of Changes in Equity dealt with by this report are in agreement with the books of account

   (d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended

   (e) on the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act

   (f) with respect to the adequacy of internal financial controls with reference to financial statements of the Company and the operative effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements.

   (g) with respect to other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

   (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

      i. the Company, as detailed in Note 41 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;

      ii. the Company did not have any long-term contracts including derivative contracts with material foreseeable losses;

      iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;

      iv. a) the management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) the management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

c) based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

For **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 22215565AJTMQN4333

Place: Chennai
Date: 27 May 2022

Annexure A to the Independent Auditor's Report

With reference to paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of the Company of even date, we report the following:

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment and relevant details of right of use assets

(B) the Company has maintained proper records showing full particulars of intangible assets;

(b) The Company has a regular programme of physical verification of its property, plant and equipment under which all property, plant and equipment are physically verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with this programme, certain property, plant and equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification;

(c) according to the information and explanations given to us and the records examined by us, we report that, the title deeds of all the immovable properties of land and buildings which are freehold and included under the head 'Property, plant and equipment' are held in the name of the Company;

(d) the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year;

(e) no proceedings have been initiated during the year or are pending against the Company as at 31 March 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder;

(ii) (a) In our opinion, the management has conducted physical verification of inventories at reasonable intervals during the year and the coverage and procedures of such verification by the management is appropriate. No material discrepancies between physical inventories and book records were noticed on such physical verification;

(b) the Company has been sanctioned working capital limits in excess of INR 5 crore, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets and the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company;

(iii) (a) the Company has not provided any loans or advances in the nature of loans or stood guarantee, or provided security to any other entity during the year, and hence reporting under clause 3(iii)(a) of the Order is not applicable;

(b) in our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest;

(c) in respect of the only loan granted by the Company to a subsidiary, the schedule of repayment of principal and payment of interest has been stipulated in the loan agreement, however, the repayment has not taken place during the year and the repayment period has been extended;

(d) there are no overdue of loan granted by the Company as at 31 March 2022;

(e) the loan granted by the Company to a subsidiary amounting to INR 205 Lakhs has fallen due during the year which has been extended. The Company has not granted any other loan during the year and hence reporting on the percentage requirements does not arise;

(f) the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment and hence reporting under clause 3(iii)(f) of the Order is not applicable;

(iv) According to the information and explanations given to us, the Company has not advanced any loan, made any investment, given any guarantee or provided any security to which the provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable. Accordingly, reporting on clause 3 (iv) of the Order does not arise;

(v) According to the information and explanations given to us, the Company has not accepted any deposits from

Annexure A to the Independent Auditor's Report (Contd.)

public during the year and does not have any unclaimed deposits as at 31 March 2022. Accordingly, reporting under clause 3 (v) of the Order does not arise;

(vi) The Central Government has specified maintenance of cost records under section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (as amended) for the operations of the Company. We have broadly reviewed the books of account maintained by the Company in respect of Company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete;

(vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, professional tax, cess and any other material statutory dues applicable to the Company during the year with appropriate authorities except for dues in respect of goods and service tax of INR 115.60 Lakhs and tax collected at source of INR 0.31 Lakhs. According to the information and explanations given to us, there were no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, professional tax, cess and any other material statutory dues outstanding as at 31 March 2022 for a period of more than six months from the date they became payable;

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of income tax, sales tax, service tax, value added tax, customs duty and goods and service tax at 31 March 2022 which have not been deposited with statutory authorities on account of a dispute pending are as under:

Name of the statute	Nature of disputed dues	Amount involved in dispute (INR in Lakhs)	Unpaid disputed amount (INR in Lakhs)	Period to which amount relates	Forum where disputes are pending
Rajasthan Sales Tax Act, 1994	Tax & Penalty	9	9	2003-04, 2009-10 & 2010-11	Rajasthan High Court
Rajasthan Value Added Tax Act, 2003	Tax & Penalty	33	33	2007-08 & 2008-09	Rajasthan High Court
Karnataka Value Added Tax Act, 2003	Tax & Penalty	299	217	2007-08 to 2010-11, 2015-16	Deputy Commissioner Appellate Tribunal
Kerala Value Added Tax Act, 2003	Tax & Penalty	91	62	2008-09, 2010-11 & 2011-12	Appellate Tribunal
Odisha Value Added Tax Act, 2005 & Central Sales Tax Act, 1956	Tax Interest & Penalty	940	864	2012-13 to 2014-15, 2016-17 & 2017-18	Deputy Commissioner – Appeals
Odisha Entry Tax Act, 1999	Tax & Penalty	16	15	2012-13 to 2014-15	Deputy Commissioner
West Bengal Value Added Tax Act, 2003	Tax & Interest	1,387	1,387	2007-08, 2009-10, 2011-12 to 2017-18	Appellate Tribunal Senior Joint Commissioner
Gujarat Value Added Tax Act, 2003	Tax, Interest & Penalty	821	809	2010-11, 2013-14, 2016-17 & 2017-18	VAT Tribunal Deputy Commissioner (Appeals)

Annexure A to the Independent Auditor's Report (Contd.)

Name of the statute	Nature of disputed dues	Amount involved in dispute (INR in Lakhs)	Unpaid disputed amount (INR in Lakhs)	Period to which amount relates	Forum where disputes are pending
Delhi Value Added Tax Act, 2004	Tax & Penalty	46	46	2012-13	Additional Commissioner
Andhra Pradesh Value Added Tax Act, 2005	Tax, Interest & Penalty	474	387	2010-11, 2012-13, 2013-14, 2015-16 to 2017-18	High Court Appeal Pending
Maharashtra Value added Tax Act, 2005	Tax, Interest & Penalty	584	562	2011-12 to 2016-17	Deputy Commissioner Sales Tax (Nodal Division) Deputy Commissioner of State Tax (MUM-VAT-E-810)
Central Sales Tax Act, 1956 read with Gujarat Value Added Tax Act, 2003	Tax, Interest & Penalty	1,214	1,192	2011-12 to 2017-18	Deputy Commissioner (Appeals)
Central Sales Tax Act, 1956 read with West Bengal Value Added Tax Act, 2003	Tax, Interest & Penalty	632	632	2010-11 to 2012-13	West Bengal Appellate Tribunal Senior Joint Commissioner
Haryana Value added Tax, 2003	Tax, Interest & Penalty	33	33	2016-17	Excise and Taxation Commissioner
Chhattisgarh Value Added Tax Act 2005, Entry Tax Act & Central Sales Act, 1956	Tax & Interest	23	22	2013-14	Deputy Commissioner
Service tax under Finance Act, 1994	Tax, Interest & Penalty	15	15	Oct 2011 to Mar14	Central Excise and Service Tax Appellate Tribunal, Chennai
Tamil Nadu SGST Act	Tax, Interest & Penalty	139	139	2017-18	High Court
Commissioner of Customs	Tax	81	0	2014-15	Appellate Tribunal
Income Tax Act, 1961	Tax & Interest	17	17	AY 2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Tax & Interest	396	396	AY 2017-18 and AY 2018-19	Commissioner of Income Tax Appeals

There are no dues in respect of duty of excise as at 31 March 2022 which have not been deposited with the statutory authorities on account of a dispute;

(viii) Based on our audit procedures and as per the information and explanations given by the management, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company;

(ix) (a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to any financial institution or bank during the year. The Company did not have any loans or borrowing from government or dues to debenture holders during the year;

(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;

(c) According to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained;

(d) On an overall examination of the financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company;

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries;

(f) On an overall examination of the financial statements of the Company, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;

(x) (a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable;

(b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable;

(xi) (a) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;

(c) We have taken into consideration the whistle blower complaints received by the Company during the year (and upto the date of this report), while determining the nature, timing and extent of our audit procedures;

(xii) The Company is not a Nidhi Company. Accordingly, reporting on clause 3(xii) of the Order does not arise;

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Act, where applicable, for all transactions with related parties undertaken during the year and the details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards;

(xiv) (a) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business;

(b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures;

(xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with the directors during the year and hence provisions of section 192 of the Act is not applicable to the Company;

(xvi) (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under

Annexure A to the Independent Auditor's Report (Contd.)

clause 3(xvi)(a), (b) and (c) of the Order is not applicable;

(b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable;

(xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year;

(xviii) There has been no resignation of the statutory auditors of the Company during the year;

(xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;

(xx) (a) In respect of other than ongoing projects, the Company does not have any such Corporate Social Responsibility activities and hence transferring unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the Act is not applicable to the Company. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable

(b) The unspent amount towards Corporate Social Responsibility pursuant to ongoing project has been transferred to a special account in compliance with provisions of sub-section 6 of Section 135 of the Act.

For **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 22215565AJTMQN4333

Place: Chennai
Date: 27 May 2022

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of VA Tech Wabag Limited of even date)

Independent Auditors' Report on the Internal Financial Controls with reference to financial statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls with reference to financial statements of VA Tech Wabag Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. Our audit is conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

Annexure B to the Independent Auditor's Report (Contd.)

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as of 31 March 2022, based on the internal financial controls with reference to financial statements 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 **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 22215565AJTMQN4333

Place: Chennai
Date: 27 May 2022

Balance Sheet as at March 31, 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
ASSETS				
Non-current assets				
Property, plant and equipment	4	6,185	6,702	7,259
Intangible assets	4	136	129	124
Financial assets				
- Investments	5	5,590	3,356	2,538
- Trade receivables	6	62,665	46,092	40,305
- Other financial assets	7	4,673	5,869	2,657
Deferred tax assets (net)	8	2,751	2,126	2,027
Income tax assets (net)	9	7,593	9,453	9,369
Other non-current assets		-	-	306
		89,593	**73,727**	**64,585**
Current assets				
Inventories	10	850	850	757
Financial assets				
- Trade receivables	6	118,996	128,196	124,580
- Cash and cash equivalents	11	14,482	17,288	8,822
- Bank balances other than those mentioned in cash and cash equivalents	11	7,024	4,412	7,136
- Loans	12	202	208	271
- Other financial assets	7	4,984	4,948	10,685
Other current assets	13	72,714	84,066	85,474
		219,252	**239,968**	**237,725**
Total assets		**308,845**	**313,695**	**302,310**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	1,244	1,244	1,094
Other equity	15			
- Securities premium reserve		39,391	39,391	27,762
- Reserves and surplus		85,402	76,159	68,808
Total equity		**126,037**	**116,794**	**97,664**
Liabilities				
Non-current liabilities				
Financial liabilities				
- Borrowings	20	7,372	10,551	2,968
- Trade payables				
Total outstanding dues of micro enterprises and small enterprises	16	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	16,470	12,918	13,556
Other financial liabilities	17	111	141	163
Provisions	18	398	495	488
Other non-current liabilities	19	3,660	11,076	8,271
		28,011	**35,181**	**25,446**
Current liabilities				
Financial liabilities				
- Borrowings	20	32,511	20,957	41,093
- Lease Liabilities		-	9	35
- Trade payables				
Total outstanding dues of micro enterprises and small enterprises	16	1,294	2,268	1,275
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	76,343	79,833	59,539
Other financial liabilities	17	2,673	3,020	5,228
Other current liabilities	19	37,978	53,742	70,039
Provisions	18	2,070	674	745
Current tax liabilities (net)	21	1,928	1,217	1,246
		154,797	161,720	179,200
Total liabilities		**182,808**	**196,901**	**204,646**
Total equity and liabilities		**308,845**	**313,695**	**302,310**

Notes 1 to 46 form an integral part of the standalone financial statements

In terms of our report even date attached

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

V Viswanathan
Partner
(Membership No.: 215565)

May 27, 2022
Chennai

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

Milin Mehta
Director
(DIN:01297508)

Rajiv Mittal
Chairman cum Managing Director & Group CEO
(DIN:01299110)

Skandaprasad Seetharaman
Chief Financial Officer

R Swaminathan
Company Secretary
(Membership No:A17696)

May 27, 2022
Chennai

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

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	23	214,261	184,313
Other income	24	2,826	976
Total income		**217,087**	**185,289**
Expenses			
Cost of sales and services	25	169,943	145,175
Changes in inventories	26	-	(93)
Employee benefits expense	27	15,601	10,656
Finance costs	28	7,489	7,532
Depreciation and amortisation expense	29	532	606
Other expenses	30	11,312	11,629
Total expenses		**204,877**	**175,505**
Profit before tax		**12,210**	**9,784**
Tax expense	31		
Current tax		3,617	2,580
Deferred tax		(625)	(99)
Profit for the year		**9,218**	**7,303**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Re-measurement gain on defined benefit plans		35	64
- Income tax relating to items that will not be reclassified to profit and loss		(9)	(16)
Other comprehensive income for the year, net of tax		**26**	**48**
Total comprehensive income for the year		**9,244**	**7,351**
Earnings per equity share	32		
Basic (in INR)		14.82	12.49
Diluted (in INR)		14.82	12.49

Notes 1 to 46 form an integral part of the standalone financial statements

In terms of our report even date attached

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

V Viswanathan
Partner
(Membership No.: 215565)

May 27, 2022
Chennai

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

Milin Mehta
Director
(DIN:01297508)

Rajiv Mittal
Chairman cum Managing Director & Group CEO
(DIN:01299110)

Skandaprasad Seetharaman
Chief Financial Officer

R Swaminathan
Company Secretary
(Membership No:A17696)

May 27, 2022
Chennai

Statement of Cash Flows for the year ended March 31, 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax	12,210	9,784
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortisation expense	532	606
Unrealised foreign exchange Loss/(gain)	(1,260)	1,526
Bad and doubtful debts, net	6,026	6,921
Unclaimed credit balances	(1,437)	(948)
(Gain) on sale of property, plant and equipment, net	(9)	(17)
Gain on sale of investment securities	-	(63)
Provision for impairment	1,582	-
Interest expenses on lease liabilities	1	3
Interest expenses	3,337	3,327
Interest and dividend income	(1,029)	(897)
Provision for foreseeable losses on contracts	(90)	105
Provision for compensated absences and gratuity	435	195
Provision for liquidated damages	756	-
Provision for warranty	19	(185)
Others	-	306
Operating profit before working capital changes	**21,073**	**20,663**
Changes in working capital		
(Increase) in trade receivables	(12,155)	(18,239)
(Increase)/Decrease in other financial assets	(256)	3,025
Decrease in loans and other current assets	11,358	1,471
(Increase) in inventories	-	(93)
Increase in trade payables	502	22,142
(Decrease) in other financial liabilities	(332)	(2,243)
(Decrease) in other liabilities	(23,186)	(13,492)
Increase/(Decrease) in provisions	214	(115)
Cash generated from operating activities	**(2,782)**	**13,119**
Direct taxes paid, net	(1,055)	(2,659)
Net cash (used in) /generated from operating activities	**(3,837)**	**10,460**
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital advances)	(191)	(91)
Proceeds from sale of property, plant and equipment and intangible assets	185	58
Purchase of investments	(3,816)	(876)
Proceeds from sale of investments	-	121
Dividend received	802	394
Interest received	407	531
Net movement in bank deposits	(1,368)	2,147
Net cash (used in) /generated from investing activities	**(3,981)**	**2,284**

Statement of Cash Flows for the year ended March 31, 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
C. Cash flow from financing activities		
Proceeds from long-term borrowings	3,351	11,410
Proceeds /(Repayment) from short term borrowings, net	9,699	(20,815)
(Repayment) of long term borrowings	(4,834)	(3,135)
Proceeds from issue of equity shares including securities premium	-	11,779
Interest paid	(3,382)	(3,314)
Repayment of lease liabilities	(10)	(29)
Net cash generated from /(used in) financing activities	**4,824**	**(4,103)**
D. Net change in cash and cash equivalents	**(2,994)**	**8,641**
Effects of foreign currency translation	**189**	**(175)**
E. Cash and cash equivalents at the beginning	**17,288**	**8,822**
F. Cash and cash equivalents at the end	**14,482**	**17,288**
Cash and cash equivalents include		
Cheques on hand	5,149	3,048
Balances with banks		
- in current accounts	3,581	6,738
- in deposit accounts (with original maturity upto 3 months)	5,752	7,502
Cash and cash equivalents as per note 11	**14,482**	**17,288**

Notes 1 to 46 form an integral part of the standalone financial statements

In terms of our report even date attached

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

V Viswanathan
Partner
(Membership No.: 215565)

May 27, 2022
Chennai

Milin Mehta
Director
(DIN:01297508)

Rajiv Mittal
Chairman cum Managing Director & Group CEO
(DIN:01299110)

Skandaprasad Seetharaman
Chief Financial Officer

R Swaminathan
Company Secretary
(Membership No:A17696)

May 27, 2022
Chennai

Statement of Changes in Equity for the year ended March 31, 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

A. Equity share capital (Issued, Subscribed and fully paid up)

Particulars	Notes	Amount
Balance as at April 1, 2020		**1,094**
Issued during the period	14	150
Balance as at April 1, 2021		**1,244**
Balance as at March 31, 2022		**1,244**

B. Other equity

Particulars	Notes	Other equity						Total
		Reserves and surplus				Securities premium reserve	Share application money pending allotment	
		Capital reserve	General reserve	Surplus in the statement of profit and loss	Accumulated other comprehensive income			
Balance as at April 1, 2020		**250**	**3,343**	**65,698**	**(483)**	**27,762**	**-**	**96,570**
Dividends	15	-	-	-	-	-	-	**-**
Dividend distribution tax	15	-	-	-	-	-	-	**-**
Issue of share capital on preferential issue	15	-	-	-	-	11,850	-	**11,850**
Expenditure incurred on preferential issue		-	-	-	-	(221)	-	**(221)**
Share application money received	15	-	-	-	-	-	12,000	**12,000**
Equity shares allotted	15	-	-	-	-	-	(12,000)	**(12,000)**
Transactions with owners		**-**	**-**	**-**	**-**	**11,629**	**-**	**11,629**
Profit for the year		-	-	7,303	-	-	-	**7,303**
Other comprehensive income		-	-	-	48	-	-	**48**
Total comprehensive income		**-**	**-**	**7,303**	**48**	**-**	**-**	**7,351**
Balance as at March 31, 2021		**250**	**3,343**	**73,001**	**(435)**	**39,391**	**-**	**115,550**
Dividends	15	-	-	-	-	-	-	**-**
Dividend distribution tax	15	-	-	-	-	-	-	**-**
Transactions with owners		**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit for the year		-	-	9,218	-	-	-	**9,218**
Other comprehensive income		-	-	-	26	-	-	**26**
Total comprehensive income		**-**	**-**	**9,218**	**26**	**-**	**-**	**9,243**
Balance as at March 31, 2022		**250**	**3,343**	**82,218**	**(409)**	**39,391**	**-**	**124,793**

Notes 1 to 46 form an integral part of the standalone financial statements

In terms of our report even date attached

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

V Viswanathan
Partner
(Membership No.: 215565)

May 27, 2022
Chennai

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

Milin Mehta
Director
(DIN:01297508)

Rajiv Mittal
Chairman cum Managing Director & Group CEO
(DIN:01299110)

Skandaprasad Seetharaman
Chief Financial Officer

R Swaminathan
Company Secretary
(Membership No:A17696)

May 27, 2022
Chennai

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

1. Nature of Operations

VA Tech Wabag Limited ('the Company'), its subsidiaries, associates and joint venture (collectively referred to as 'the Group') is one of the world's leading companies in the water treatment field. Company's principal activities include design, supply, installation, construction and operational management of drinking water, waste water treatment, industrial water treatment and desalination plants. The shares of the Company are listed in the BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The Company is domiciled in India and its registered office and its principal place of business is 'WABAG HOUSE', No.17, 200 Feet Thoraipakkam - Pallavaram Main Road, Sunnambu Kolathur, Chennai - 600 117, Tamil Nadu.

2. Basis of preparation of financial statements

2.1 General information and statement of compliance with Indian Accounting Standards ('Ind AS')

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per Companies (Indian Accounting Standards) Rules, 2015 including its amendments as notified under section 133 of Companies Act, 2013, as amended (the "Act") and other relevant provisions of the Act('Ind AS').

The standalone financial statements as at and for the year ended March 31, 2022 are approved and authorised for issue by the Board of Directors on May 27, 2022.

The standalone financial statements of the Company are prepared in accordance with Ind AS under the historical cost convention on the accrual basis except for certain financial assets and financial liabilities that have been measured at fair value. These standalone financial statements are presented in lakhs of Indian rupees which is also the Company's functional currency, except per share data and other financial information as otherwise stated. Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the figures presented in the current year.

2.2 Recent pronouncements

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

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted.

Ind AS 109 – Annual Improvements to Ind AS

The amendment clarifies which fees an entity includes when it applies the '10 %' test of Ind AS 109 in assessing whether to derecognise a financial liability.

Ind AS 116 – Annual Improvements to Ind AS

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Company is in the process of evaluating the impact on account of the above pronouncements.

3. Summary of significant accounting policies

3.1 Overall considerations

The standalone financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These accounting policies have been used throughout all periods presented in the standalone financial statements.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

3.2 Investments in subsidiaries, associates, joint venture and joint operations

Investments in subsidiaries, associates and joint venture are accounted at cost less impairment, if any. Investments in joint operations are accounted by using proportionate consolidation method in the standalone financial statements. The Company does not have any investments in joint operations for the year ended March 31, 2022.

3.3 Foreign currency translation

Functional and presentation currency

The standalone financial statements are presented in Indian Rupees, which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions, duly approximated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised as other income/other expenses in statement of profit and loss.

Non-monetary items are not re-translated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.4 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable by the Company for goods supplied and services provided, excluding trade discounts and other applicable taxes. Revenue is recognised upon transfer of control of promised goods or services under a contract.

Revenue is recognised when the amount can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Company's different activities has been met.

The Company derives revenues from two types of contracts:

a) Construction contracts - Customer contracts towards delivering a water treatment facility that is fit for purpose as per the contract

b) Operation and maintenance contracts - Customer contracts towards operation and maintenance of water treatment facilities

The Company determines its performance obligations included in the contracts signed with customers. Most contracts with customers include a single performance obligation. When a customer contract includes both a construction and operation & maintenance, the performance obligations are separately identified and revenue is recognised in accordance with the principles of Ind AS 115.

a) Construction contracts:

Construction contracts generally involve design, supply, construction, installation and commissioning of water treatment facilities on turnkey basis.

The transaction price is usually a fixed consideration with a variable consideration on a case to case basis. Variable consideration (penalties, damages, claims etc.) is included in the transaction price to the extent it is highly probable that a significant reversal in the amount of revenue recognised will not occur.

Construction contracts usually have a single performance obligation, wherein the control of goods and services are transferred progressively

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

over the period of the contract. The Company satisfies its performance obligation upon completing the scope of the construction contract and achieving customer acceptance.

Contract revenue and Contract costs in respect of construction contracts, execution of which is spread over different accounting periods is recognised as revenue and expense respectively by reference to the basis of percentage of completion method of the contract at the reporting date. Costs incurred representing progress of work done, on the reporting date, pending invoicing by the suppliers, are disclosed under "Unbilled Payables" as part of other current liabilities.

The percentage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Only costs that reflect work performed are included in cost incurred to date.

When the Company cannot measure the outcome of a contract reliably, revenue is recognised only to the extent of contract costs that have been incurred and are recoverable. In situations when it is probable that the total contract costs will exceed total contract revenues, the expected loss is recognised immediately in the statement of profit and loss.

The gross amount due from customers for contract work, in excess of the amounts presented as "Trade receivable", are presented as contract assets under "Due from customers for construction contract work" as part of other current assets. Due from customers for construction contract work represents costs incurred plus recognised profits (less recognised losses) in excess of progress billing for all contracts in progress.

The gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses) is presented as contract liabilities under "Billing in advance of work completed" as part of other current liabilities. Prepayments received from customers in advance of performance under the contract are also presented as contract liabilities and represented as "Advances from customers" as part of other current liabilities.

b) **Operation and maintenance contracts:**

Operation and maintenance contracts involve operation and maintenance services for water treatment facilities and supply of spares. Revenue from operation and maintenance contracts are recognised as the services are provided and invoiced to the customer, as per the terms of the contract.

The amount due from customers for operation and maintenance contracts are presented as "Trade receivable". Prepayments received from customers in advance of performance under the contract are presented as contract liabilities and represented as "Advances from customers" as part of other current liabilities.

Interest, dividends, duty drawback and other entitlements

Income from interest is recognised using effective interest method taking into account the amount outstanding and the applicable rate of interest.

Dividend income is recognised when the right to receive dividend is established by the reporting date.

Income from duty drawback and export benefit under duty free credit entitlements is recognised in the statement of profit and loss, when right to receive license as per terms of the scheme is established in respect of exports made and there is no significant uncertainty regarding the ultimate collection of the export proceeds, as applicable.

3.5 Cost of sales and services

Cost of sales and services comprise costs including estimated costs that are directly related to the contract, attributable to the contract activity in general and such costs that can be allocated to the contract and specifically chargeable to the customer under the terms of the contracts, which is charged to the statement of profit and loss.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

3.6 Property, plant and equipment

Land

Land (other than investment property) held for use in production or administration is stated at cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings and other equipment

Buildings and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers and vehicles) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management. Buildings and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses.

Advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work in progress.

Subsequent expenditure incurred on an item of property, plant and equipment is added to the book value of that asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation on assets is provided on straight-line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except for vehicles where the management believes that the useful life of 5 years would best represent the period over which the management expects to use these assets and the residual value is 20% of the acquisition cost which is considered to be the amount recoverable at the end of the asset's useful life.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in statement of profit and loss within other income or other expenses.

The components of assets are capitalised only if the life of the components vary significantly and whose cost is significant in relation to the cost of respective asset. The life of components in assets are determined based on technical assessment and past history of replacement of such components in the assets.

3.7 Intangible assets

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

Computer software is stated at cost less accumulated amortisation and are being amortised on a straight line basis over the estimated useful life of 5 years.

Amortisation is included within depreciation and amortisation expense in the statement of profit and loss.

Gains or losses that arise on disposal or retirement of an intangible asset are measured as the difference between net disposal proceeds and the carrying value of an intangible asset and are recognised in the statement of profit and loss when the intangible asset is derecognised.

The amortisation period and method are reviewed at each balance sheet date. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment as detailed in note 3.8.

3.8 Impairment of property, plant and equipment and intangible assets

For the purpose of impairment assessment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill (if any) is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Company at which management monitors goodwill.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro-rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

3.9 Leases

The Company recognises lease contracts as per the single lease accounting model for lessees. The model requires a lessee to recognise right to use assets and corresponding lease liabilities for all leases with a lease term of more than twelve months, unless the underlying asset is of a low value. For such leases the lease payments are recognised as an operating expense on a straight line basis over the term of the lease contract.

The recognition, measurement, presentation and disclosure of leases are in accordance with the principles of the standard. At the time of initial measurement, the lease liabilities are recognised at the present value of lease payments payable. The lease liability is discounted at the interest rate implicit to the lease, or incremental borrowing rate to arrive at the present value. The lease liabilities are diluted over the remaining lease period by lease payments. The right to use assets are initially recognised at lease liability amount. The right to use assets are thereafter depreciated over the period of lease term or the useful life of underlying asset whichever is lower. An impairment loss is recognised where the carrying amount of right to use asset exceeds its recoverable amount.

The Company determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis.

3.10 Financial instruments

Financial assets (other than trade receivables) and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through statement of profit and loss which are measured initially at fair value. Trade receivables are recognised at their transaction price as the same do not contain significant financing component. Subsequent measurement of financial assets and financial liabilities are described below.

a) Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

a. Amortised cost

b. Fair Value Through Other Comprehensive Income (FVTOCI) or

c. Fair Value Through Profit or Loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets are impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

b) Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost using effective interest rate if it is held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next twelve months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition.

c) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Company, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These elections are made on an instrument-by instrument (i.e.., share-by-share) basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognised in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next twelve months and credit risk exposure. The Company shall also measure the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. The loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

d) Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognised in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next twelve months and credit risk exposure. The Company shall also measure the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. The loss allowance shall be recognised in the statement of profit and loss.

Hedge accounting

To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness.

These arrangements have been entered into to mitigate currency exchange risk arising from certain legally binding sales and purchase orders denominated in foreign currency. For the reporting periods under review, the Company has not designated any forward currency contracts as hedging instruments.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

e) **Trade receivables**

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

f) **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's standalone balance sheet) when:

i. the rights to receive cash flows from the asset have expired, or

ii. the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

g) **Classification, subsequent measurement and derecognition of financial liabilities**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost. The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Subsequent measurement

Financial liabilities are measured subsequently at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in statement of profit and loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in statement of profit and loss are included within finance costs or finance income.

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.

3.11 Inventories

Inventory of stores and spares are stated at lower of cost and net realisable value and is determined on weighted average cost method. Cost of inventories include all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost to completion and applicable selling expenses.

Contract inventories are contract costs incurred for a future activity on a contract and are recognised as an asset if it is probable that they would be recovered. The cost comprises of material and other expenses directly attributable to the contract.

3.12 Income taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognised in other comprehensive income are also disclosed under the same head.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax liabilities are generally recognised in full, although Ind AS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Company does not recognise deferred tax liability on temporary differences relating to goodwill, or to its investments in subsidiaries.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in statement of profit and loss, except where they relate to items that are recognised in other comprehensive income (such as re-measurement of net defined benefit plans) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

Appendix C to Ind AS 12 - Uncertainty over income tax treatments

Appendix C to Ind AS 12 clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The adoption of Appendix C to Ind AS 12 did not have any material impact on the standalone financial statements of the Company.

Amendment to Ind AS 12 – Income Taxes

The Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognise the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognised those past transactions or events that generated distributable profits were recognised. The adoption of amendment to Ind AS 12 did not have any material impact on the standalone financial statements of the Company.

3.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within three months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.14 Equity, reserves and dividend payments

Share capital represents the nominal (par) value of shares that have been issued and paid-up.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Other components of equity include the following:

i. Accumulated other comprehensive income which includes re-measurement of net defined benefit liabilities

ii. General reserve represents the accumulated surplus transferred from the Statement of profit and loss

iii. Securities premium reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from securities premium, net of any related income tax benefits

iv. Surplus in the statement of profit and loss includes all current and previous period retained profits

v. Stock option outstanding account includes the value of equity-settled share based payment transactions with employees

All transactions with owners are recorded separately within equity.

3.15. Post-employment benefits and short-term employee benefits

Defined contribution plan

a. Contribution to provident fund is in the nature of defined contribution plan and are made to a recognised fund.

b. Contribution to superannuation fund is in the nature of defined contribution plan and is remitted to insurance company in accordance with the scheme framed by the Corporation.

The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

Provident fund

The Company makes contribution to the statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan, and contribution paid or payable is recognised as an expense in the period in which it falls due.

Superannuation Fund

Contribution made towards superannuation fund (funded by payments to insurance company) which is a defined contribution plan, is charged as expenses on accrual basis. There are no obligations other than the contribution made to respective fund.

Defined benefit plan

Under the Company's defined benefit plans, the amount of benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The defined benefit plans maintained by the Company are as below:

i. Gratuity

The liability recognised in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related gratuity liability.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income.

The plan assets represent qualifying insurance policies that are administered by an Insurance company.

ii. Leave salary - compensated absences

The Company also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on actuarial valuation basis.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement,

The Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on the standalone financial statements of the Company.

3.16 Provisions, contingent assets and contingent liabilities

Provisions for warranties, litigations or other claims are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities if the outflow of resources is remote.

The Company does not recognise contingent assets unless the realisation of the income is virtually certain, however these are assessed continually to ensure that the developments are appropriately disclosed in the standalone financial statements.

3.17 Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares), if any. For the purpose of calculating diluted earnings per equity 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.

3.18 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short- term highly liquid investments with original maturities of 3 months or less, as applicable.

3.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

3.20 Significant management judgment in applying accounting policies and estimation uncertainty

When preparing the standalone financial statements, management makes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(i) Significant management judgment

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the standalone financial statements.

Recognition of construction contract revenues

Recognising construction contract revenue also requires significant judgement in determining actual work performed and the estimated costs to complete the work (refer note 33).

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

(ii) Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash- generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Defined Benefit Obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as attrition rate, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analyzed in Note 18).

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Fair value measurement

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:

i. In the principal market for the asset or liability, or

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

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (refer Note 38).

Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities

3.21 Transfer Pricing

As per the Transfer pricing norms introduced in India with effect from April 1, 2001, the Company is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Transfer pricing study for the fiscal year ended March 31, 2022 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Management, the outcome of the study will not have material impact on the Company's results.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

4. Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment										Intangible assets
	Freehold land	Buildings	Right to Use Asset	Plant and machinery	Furniture and fittings	Electrical equipment	Office equipment	Computers	Vehicles	Total	Computer software
Gross carrying value											
Balance as at April 1, 2020	**1,698**	**4,026**	**118**	**367**	**2,072**	**559**	**617**	**518**	**588**	**10,563**	**1,057**
Additions	-	-	-	-	-	-	-	34	-	34	57
Disposals	-	-	-	-	-	-	-	-	(118)	(118)	-
Balance as at March 31, 2021	**1,698**	**4,026**	**118**	**367**	**2,072**	**559**	**617**	**552**	**470**	**10,479**	**1,114**
Additions	-	-	-	-	-	-	3	120	-	123	68
Disposals	-	-	-	-	(42)	-	-	(117)	(227)	(386)	-
Balance as at March 31, 2022	**1,698**	**4,026**	**118**	**367**	**2,030**	**559**	**620**	**555**	**243**	**10,216**	**1,182**
Accumulated depreciation/amortisation											
Balance as at April 1, 2020	**-**	**331**	**82**	**135**	**1,215**	**330**	**588**	**424**	**199**	**3,304**	**933**
Depreciation/amortisation expense for the year	-	68	28	25	213	58	11	55	98	556	53
Reversal on disposal of assets	-	-	-	-	-	-	-	-	(83)	(83)	-
Balance as at March 31, 2021	**-**	**399**	**110**	**160**	**1,429**	**388**	**599**	**479**	**214**	**3,777**	**985**
Depreciation/amortisation expense for the year	-	68	8	25	205	56	9	45	54	470	61
Reversal on disposal of assets	-	-	-	-	(29)	-	-	(12)	(175)	(216)	-
Balance as at March 31, 2022	**-**	**467**	**118**	**185**	**1,605**	**444**	**608**	**512**	**93**	**4,031**	**1,046**
Net carrying value											
Balance as at March 31, 2021	**1,698**	**3,627**	**8**	**206**	**643**	**171**	**19**	**73**	**256**	**6,702**	**129**
Balance as at March 31, 2022	**1,698**	**3,559**	**0**	**182**	**425**	**115**	**12**	**43**	**150**	**6,185**	**136**

1. Refer note 20 (Borrowings) for Land and Buildings pledged as security for the borrowings of the Company

2. Right to Use asset includes leases on office building

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

5. Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Investments carried at cost		
Investments in equity instruments of subsidiaries (fully paid-up)		
VA Tech Wabag (Singapore) Pte Limited	2,100	2,100
(5,210,249 (Previous year : 5,210,249) equity shares of SGD 1 each)		
VA Tech Wabag Muscat LLC (Oman)	124	124
(105,000 (Previous year : 105,000) equity shares of OMR 1 each)		
VA Tech Wabag (Philippines) Inc.	90	90
(8,570,200 (Previous year: 8,570,200) equity shares of PHP 1 each)		
Wabag Limited (Thailand)##	19	19
(29,400 (Previous year : 29,400) equity shares of THB 34.0136 each)		
VA Tech Wabag and Roots Contracting LLC, (Qatar) #	-	-
(98 (Previous year : 98) equity shares of QAR 1,000 each)		
Wabag Muhibbah JV SDN BHD, (Malaysia)	107	107
(700,000 (Previous year : 700,000) equity shares of MYR 1 each)		
Wabag Belhasa JV WLL,(Bahrain)###	4	4
(49 (Previous year : 49) equity shares of BHD 50 each)		
DK Sewage Project Private Limited	1	1
(9,999 (Previous Year: 9,999) equity shares of INR 10 each)		
Ghaziabad Water Solutions Private Limited (Formerly known as Digha STP Projects Private Limited)	1	1
(9,999 (Previous Year: 9,999) equity shares of INR 10 each)		
Kopri Bio Engineering Private Limited		
(5,100 (Previous Year: 5,100) equity shares of INR 10 each)	1	1
	2,447	**2,447**
Investments in compulsory convertible preference shares of Associate (fully paid-up)		
Ganga STP Project Private Limited	970	870
(96,99,000 (Previous year : 86,99,000) compulsory convertible preference shares of INR 10 each)		
	970	**870**
Investments in equity instruments of associates (fully paid-up)		
Ganga STP Project Private Limited	5	5
(50,999 (Previous year : 50,999) equity shares of INR 10 each)		
VA Tech Wabag and Roots Contracting LLC, (Qatar) #	17	17
(98 (Previous year : 98) equity shares of QAR 1,000 each)		
	22	**22**
Investments in equity instruments of joint venture (fully paid-up)		
International Water Treatment LLC (Oman)####	-	69
(Nil (Previous year : 48,750) equity shares of OMR 1 each)		
Less: Provision for impairment of investment in International Water Treatment LLC, (Oman)	-	(69)
	-	**-**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Investments carried at fair value through profit and loss		
Investments in equity instruments of other companies (fully paid-up)		
First STP Private Limited	15	15
(150,000 (Previous year :150,000) equity shares of INR 10 each)		
Konark Water Infraprojects Private Limited	1	1
(5,000 (Previous year : 5,000) equity shares of INR 10 each)		
Aurangabad City Water Utility Company Limited	1	1
(5,000 (Previous year : 5,000) equity shares of INR 10 each)		
Thoothukudi Renew Waters Private Limited **	-	-
(2,600 (Previous year : 2,600) equity shares of INR 10 each)		
Ganapati Marine Enterprises Private Limited ***	-	-
(419 (Previous Year: 419) equity shares of INR 10 each)		
	17	**17**
Investments in share application money		
Wabag Muhibbah JV SDN BHD, (Malaysia)	2,864	-
Less: Provision for impairment of investment in Wabag Muhibbah JV SDN BHD, (Malaysia)	(1,582)	-
	1,282	**-**
Investments in Non Convertible Debentures		
Ganga STP Project Private Limited		
(85,15,000 (Previous year : Nil) 9% Non convertible debentures of INR 10 each)	852	-
	852	**-**
Total non-current investments	**5,590**	**3,356**
Aggregate amount of unquoted investments	7,172	3,425
Aggregate amount of impairment in the value of investments	1,582	69

** Since the amount of investment is INR 26,000 (Previous year: INR 26,000), the same is below the rounding off norm adopted by the Company.

*** Since the amount of investment is INR 4,190 (Previous year: INR 4,190), the same is below the rounding off norm adopted by the Company.

Particulars	As at March 31, 2022	As at March 31, 2021
Extent of investment in subsidiaries		
VA Tech Wabag (Singapore) Pte Limited	100.0%	100.0%
VA Tech Wabag Muscat LLC (Oman)	70.0%	70.0%
VA Tech Wabag (Philippines) Inc.	100.0%	100.0%
Wabag Limited (Thailand) ##	49.0%	49.0%
VA Tech Wabag and Roots Contracting LLC, (Qatar) #	-	-
Wabag Muhibbah JV SDN BHD, (Malaysia)	70.0%	70.0%
Wabag Belhasa JV WLL,(Bahrain) ###	49.0%	49.0%
Ghaziabad Water Solutions Private Limited (Formerly known as Digha STP Projects Private Limited)	100.0%	100.0%
Kopri Bio Engineering Private Limited	51.0%	51.0%
DK Sewage Project Private Limited	100.0%	100.0%

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	As at March 31, 2022	As at March 31, 2021
Extent of investment in associates		
VA Tech Wabag and Roots Contracting LLC, (Qatar) #	49.0%	49.0%
Ganga STP Project Private Limited	26.0%	100.0%
Extent of investment in joint venture		
International Water Treatment LLC (Oman)####	-	32.5%

Pursuant to an exclusive contractual arrangement providing for a majority share in the economic interests and control of voting power in the Project-I of VA Tech Wabag and Roots Contracting L.L.C, Qatar, the investment was classified as a subsidiary at inception. During the year ended March 31, 2016 and March 31, 2020 for Project-II and Project-III respectively, a similar arrangement providing for majority rights in the new projects to the partner was agreed and hence the investment in the legal entity has been accordingly reclassified as an associate based on economic interests in the projects respectively as against the ownership in the entity.

Pursuant to the statutory document providing for a majority share of 90.6% of the economic interests in the entity, Wabag Limited (Thailand) has assessed and determined that it has power over the entity, exposure, or rights, to variable returns and the ability to use its power to affect the amount of returns of the Wabag Limited (Thailand). Accordingly, the investment has been classified as a subsidiary.

Pursuant to an exclusive contractual arrangement providing for a share of 100% of the economic interests in the entity, Wabag Belhasa JV WLL,(Bahrain) has assessed and determined that it has power over the entity, exposure, or rights, to variable returns and the ability to use its power to affect the amount of returns of the Wabag Belhasa JV WLL,(Bahrain). Accordingly, the investment has been classified as a subsidiary.

The Company had entered into a joint venture with Pratibha Industries Limited in Nepal to execute a project. Considering the fact that the Company has control over the governing body and thereby has power over the entity, has rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of its returns, the same has been treated as a subsidiary in the consolidated financial statements.

Note: The Company regularly assesses the financial health of its subsidiaries to ensure their good standing and wherever necessary a letter of support is provided to assure the stakeholders of operational and/or financial support in the operations of the subsidiaries. In line with the same, the Company had issued a letter of support to VA Tech Wabag GmbH, Austria during the financial year 2021-22, which was valid until December 31, 2022.

International Water Treatment L.L.C (“IWT”), Oman, was established as a Special Purpose Vehicle for carrying out Engineering, Procurement and Construction Contract for Water Desalination Project in Muscat, Oman has been liquidated effective April 17, 2022, post completion of the project and all contractual and other formalities.

Note: The Company, as per the requirements of the concession agreements signed, has formed Ghaziabad Water Solutions Private Limited (Formerly known as Digha STP Projects Private Limited) and DK Sewage Project Private Limited as Special purpose Vehicles (‘SPV’) to execute Hybrid Annuity Model (‘HAM’) projects received in Ghaziabad and Bihar respectively. The Company is in the process of investing capital in these SPVs, as per terms of the concession agreements.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

6. Trade receivables (Unsecured considered good, unless stated otherwise)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Trade receivables	2,500	2,500
Customer retention	60,165	43,592
	62,665	**46,092**
Current		
Trade receivables	109,778	115,548
Customer retention	9,218	12,648
	118,996	**128,196**
Credit impaired		
- Trade receivables	5,396	7,569
- Customer retention	1,013	520
Less : Allowances for expected credit loss		
- Trade receivables	(5,396)	(7,569)
- Customer retention	(1,013)	(520)
	-	-
	118,996	**128,196**

Trade receivables include dues from related parties amounting to INR 14,333 Lakhs (March 31, 2021: INR 14,638 Lakhs). Customer retention includes due from related parties amounting to INR Nil (March 31, 2021: 632 Lakhs). The carrying amount of the current trade receivable and customer retention is considered a reasonable approximation of fair value as is expected to be collected within twelve months, such that the effect of any difference between the effective interest rate applied and the estimated current market rate is not significant.

There are no receivables due from directors or other officers of the company.

All of the Company's trade receivables and customer retention have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of INR (1,680) Lakhs (2020-21: INR 72 Lakhs) has been (utilised) / created respectively within other expenses. The Company has impaired its trade receivables using a provisioning matrix and specific provisioning, where appropriate, representing expected credit losses based on a range of outcomes.

Movement in allowances for expected credit loss	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**8,089**	**8,017**
Additions during the year, net	3,623	6,118
Utilised during the year, net	(5,303)	(6,046)
Balance at the end of the year	**6,409**	**8,089**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Ageing for trade receivables - billed – Non current outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables – considered good	44,562	-	-	-	-	-	44,562
ii) Undisputed Trade Receivables-Which has significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables considered good	18,103	-	-	-	-	-	18,103
v) Disputed Trade Receivables-Which has significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
Total	**62,665**	**-**	**-**	**-**	**-**	**-**	**62,665**

Ageing for trade receivables - billed – Non current outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables – considered good	27,989	-	-	-	-	-	27,989
ii) Undisputed Trade Receivables-Which has significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables considered good	18,103	-	-	-	-	-	18,103
v) Disputed Trade Receivables-Which has significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
Total	**46,092**	**-**	**-**	**-**	**-**	**-**	**46,092**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Ageing for trade receivables - billed – current outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables – considered good	31,297	32,725	18,292	8,918	1,684	3,248	96,794
ii) Undisputed Trade Receivables-Which has significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables-Credit Impaired	-	-	850	680	196	2,713	4,439
iv) Disputed Trade Receivables considered good	2,240	6,907	198	1,046	3,380	8,431	22,202
v) Disputed Trade Receivables-Which has significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables-Credit Impaired	-	485	9	241	351	884	1,970
	34,167	**40,117**	**19,349**	**10,885**	**5,611**	**15,276**	**125,405**
Less: Allowance for expected credit loss							(6,409)
Trade Receivables - Current							**118,996**

Ageing for trade receivables - billed – current outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables – considered good	45,335	32,549	14,585	2,250	2,339	3,624	100,682
ii) Undisputed Trade Receivables-Which has significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables-Credit Impaired	-	-	638	191	406	1,644	2,879
iv) Disputed Trade Receivables considered good	69	7,571	463	11,536	7,548	327	27,514
v) Disputed Trade Receivables-Which has significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables-Credit Impaired	-	-	20	263	1,292	3,635	5,210
Total	**45,404**	**40,120**	**15,706**	**14,240**	**11,585**	**9,230**	**136,285**
Less: Allowance for expected credit loss							(8,089)
Trade Receivables - Current							**128,196**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

7. Other financial assets (Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Security deposits	3,708	3,655
Advances to employees	19	29
Non-current bank balances	946	2,185
	4,673	**5,869**
Current		
Security deposits	1,366	1,340
Tender deposits	985	61
Rental deposits	176	182
Dues from related parties (Also refer note 37(c))	2,401	3,227
Advances to employees	56	138
	4,984	**4,948**

Non-current bank balances represents interest bearing deposits with bank with more than 12 months maturity and held as margin money or security against the borrowings, guarantees and other commitments.

There are no other financial assets due from directors or other officers of the Company. The carrying amount of the other financial assets are considered as a reasonable approximation of fair value.

Refer note 39 for description of the Company's financial instrument risks, including risk management objectives and policies.

8. Deferred tax assets (net)

Particulars		As at March 31, 2022	As at March 31, 2021
The breakup of net deferred tax asset is as follows:			
Deferred tax asset arising on account of :			
- Provision for employee benefits, liquidated damages and foreseeable losses		133	193
- Allowances for expected credit loss		2,535	2,238
- Others		398	17
Total deferred tax asset	**A**	**3,066**	**2,448**
Deferred tax liability arising on account of :			
- Timing difference between carrying value of property, plant and equipment / Intangible assets as per tax laws		(315)	(322)
Total deferred tax liability	**B**	**(315)**	**(322)**
Net deferred tax assets	**(A+B)**	**2,751**	**2,126**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Deferred tax recognised in statement of profit and loss and other comprehensive income for the year ended March 31, 2022:

Particulars	Recognised in Other comprehensive Income	Recognised in Statement of profit and loss
Deferred tax asset arising on account of :		
- Provision for employee benefits, liquidated damages and foreseeable losses	-	59
- Allowances for expected credit loss	-	(297)
- Others	-	(381)
Deferred tax liability arising on account of :		
- Timing difference between carrying value of property, plant and equipment / Intangible assets as per tax laws	-	(7)
Total	**-**	**(626)**

Deferred tax recognised in statement of profit and loss and in other comprehensive income for the year ended March 31, 2021:

Particulars	Recognised in Other comprehensive Income	Recognised in Statement of profit and loss
Deferred tax asset arising on account of :		
- Provision for employee benefits, liquidated damages and foreseeable losses	-	15
- Allowances for expected credit loss	-	(200)
- Others	-	116
Deferred tax liability arising on account of :		
- Others	-	(30)
Total	**-**	**(99)**

In assessing the recoverability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

All deferred tax assets have been recognised in the balance sheet.

9. Income tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax assets net of provision for tax	7,593	9,453
	7,593	**9,453**

10. Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
Contract inventories	8	62
Stores and spares	842	788
	850	**850**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

11. Cash and bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Cheques on hand	5,149	3,048
Balances with banks		
- in current accounts#	3,581	6,738
- in deposit accounts (with original maturity upto 3 months)#	5,752	7,502
	14,482	**17,288**
Bank balances other than mentioned in cash and cash equivalents		
Unpaid dividend account	6	9
Deposits with maturity less than 3 months#	1,004	758
Deposits with maturity more than 3 months but less than 12 months#	6,014	3,645
	7,024	**4,412**

Deposits includes a sum of INR 9,769 Lakhs (March 31, 2021 INR 4,463 Lakhs) held as margin money / in escrow account or security against the borrowings ,guarantees and other commitments .

12. Loans (Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Current		
Loans to related parties (Also refer note 37(c))	202	208
	202	**208**

13. Other current assets (Unsecured, considered good)

Particulars	As at March 31, 2022	As at March 31, 2021
Dues from customers for construction contract works*	39,975	48,937
Advance to supplier	15,533	18,220
Balances with government authorities	15,267	14,522
Duty drawback and other duty free credit entitlement receivable	173	179
Prepaid expenses	1,650	2,181
Others	116	27
	72,714	**84,066**

* Includes allowance for expected credit loss amounting to INR 1,823 Lakhs (March 31, 2021 :INR 619 Lakhs)
There are no advances due from directors or other officers of the company.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

14. Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Authorised				
Equity shares of INR 2 each	75,000,000	1,500	75,000,000	1,500
Issued, subscribed and fully paid up				
Equity shares of INR 2 each	62,190,428	1,244	62,190,428	1,244
	62,190,428	**1,244**	**62,190,428**	**1,244**

a) Reconciliation of share capital (Equity)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Balance at the beginning of the year	62,190,428	1,244	54,690,428	1,094
Issue of share capital on preferential issue	-	-	7,500,000	150
Balance at the end of the year	**62,190,428**	**1,244**	**62,190,428**	**1,244**

b) Shareholders holding more than 5% of the aggregate shares in the Company

	Number	% holding	Number	% holding
Equity Shares of INR 2 each				
Mr. Rajiv Mittal	9,709,406	15.6%	9,709,406	15.6%
Ms.Rekha Rakesh Jhunjhunwala	5,000,000	8.0%	5,000,000	8.0%
	14,709,406	**23.6%**	**14,709,406**	**23.6%**

c) Shares held by promoters of the company

	Number	% holding	Number	% holding
Mr. Rajiv Mittal	9,709,406	15.6%	9,709,406	15.6%
Mr. S Varadarajan	2,185,762	3.5%	2,185,762	3.5%
Mr. Shiv Narayan Saraf	1,600,354	2.6%	1,600,354	2.6%
	13,495,522	**21.7%**	**13,495,522**	**21.7%**

d) Terms/right attached to equity shares

The Company has issued only one class of equity shares having a face value of INR 2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which can be approved by the Board of Directors.

In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Shares reserved for issue under options

There is no options reserved for issuance of equity shares to the employees as on March 31, 2022.

f) Buy back of shares

There were no buy back of shares and shares issued pursuant to contract without payment being received in cash during the last 5 years immediately preceding March 31, 2022

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

g) Capital management

The Company's capital management objectives are:

- to safeguard the Company's ability to continue as a going concern, and continue to provide optimum returns to the shareholders and all other stakeholders by building a strong capital base.

- to maintain an optimum capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders plus its borrowings, if any, less cash and bank balances.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The amounts managed as capital by the Company for the reporting periods under review are summarised as follows:

Particulars		As at March 31, 2022	As at March 31, 2021
Borrowings		39,883	31,508
Less: Cash and bank balances		(22,452)	(23,885)
Net debt	**(A)**	**17,431**	**7,623**
Total equity	**(B)**	**126,037**	**116,794**
Total equity and net debt	**(C=A+B)**	**143,468**	**124,417**
Gearing ratio	**(A/C)**	**12.1%**	**6.1%**

15. Other equity

Particulars	As at March 31, 2022	As at March 31, 2021
Securities premium reserve		
Balance at the beginning of the year	39,391	27,762
Add : Additions made during the year		
Issue of share capital on preferential issue	-	11,850
Expenditure incurred on preferential issue	-	(221)
Balance at the end of the year	39,391	39,391

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Particulars	As at March 31, 2022	As at March 31, 2021
Capital reserve		
Balance at the beginning of the year	250	250
Add : Additions made during the year	-	-
Balance at the end of the year	250	250

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.

Particulars	As at March 31, 2022	As at March 31, 2021
General reserve		
Balance at the beginning of the year	3,343	3,343
Add : Transfer from stock option outstanding account	-	-
Balance at the end of the year	**3,343**	**3,343**

General reserve represents an appropriation of profits by the Company.

Particulars	As at March 31, 2022	As at March 31, 2021
Surplus in the statement of profit and loss		
Balance at the beginning of the year	73,001	65,698
Add : Transfer from statement of profit and loss	9,218	7,303
Balance at the end of the year	**82,219**	**73,001**

Surplus in the statement of profit and loss comprises of prior years' undistributed earnings after taxes.

Particulars	As at March 31, 2022	As at March 31, 2021
Accumulated other comprehensive income		
Balance at the beginning of the year	(435)	(483)
Add : Transfer from other comprehensive income	26	48
Balance at the end of the year	**(409)**	**(435)**

Particulars	As at March 31, 2022	As at March 31, 2021
Share application money pending allotment		
Balance at the beginning of the year	-	-
Add : Share application money received	-	12,000
Less : Equity shares allotted	-	(12,000)
Balance at the end of the year	-	-
Share application money pending allotment represents applications received towards subscription from Preference share holders for issue of preferential equity shares . The equity shares are alloted to preference share holders against the share application money within a reasonable period, not later than three months from the Balance Sheet date. The Company has sufficient authorised capital to cover the share capital amount on allotment of above shares.		
Total other equity	**124,794**	**115,550**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

16. Trade payables

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Dues to micro and small enterprises (Also, refer note (a) below)	-	-
Dues to others	16,470	12,918
	16,470	**12,918**
Current		
Dues to micro and small enterprises (Also refer note (a) below)	1,294	2,268
Dues to others	76,343	79,833
	77,637	**82,101**

Ageing for trade payables - billed – Non current outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More more than 3 Years	Total
MSME	-	-	-	-	-	-
Others	16,343	-	-	-	-	16,343
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	127	-	-	-	-	127
Total	**16,470**	**-**	**-**	**-**	**-**	**16,470**

Ageing for trade payables - billed – Non current outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More more than 3 Years	Total
MSME	-	-	-	-	-	-
Others	12,918	-	-	-	-	12,918
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
Total	**12,918**	**-**	**-**	**-**	**-**	**12,918**

Ageing for trade payables - billed – current outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More more than 3 Years	Total
MSME	573	637	58	18	8	1,294
Others	38,391	26,324	4,529	1,412	5,292	75,949
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	101	1	40	107	145	394
Total	**39,065**	**26,962**	**4,627**	**1,537**	**5,445**	**77,637**

Ageing for trade payables - billed – current outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More more than 3 Years	Total
MSME	1,272	874	45	18	59	2,268
Others	37,354	31,001	4,493	2,994	3,720	79,562
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	48	51	19	153	271
Total	**38,626**	**31,923**	**4,589**	**3,031**	**3,932**	**82,101**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The carrying values of trade payables are considered to be a reasonable approximation of fair value.

a) Dues to micro, small and medium enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:

	Particulars	As at March 31, 2022	As at March 31, 2021
i)	Principal amount remaining unpaid	1,294	2,268
ii)	Interest due thereon	50	96
iii)	Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
iv)	Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
v)	Interest accrued and remaining unpaid as at the year end	50	96
vi)	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

b) Unclaimed credit balances amounting to INR 1,437 Lakhs (March 31, 2021: INR 948 Lakhs) have been reversed from trade payables

17. Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Employee related payables	111	141
	111	**141**
Current		
Dues to related parties	491	1,286
Unpaid dividends	6	8
Employee related payables	2,122	1,672
Interest payables and others	54	54
	2,673	**3,020**
Total financial liabilities	**2,784**	**3,161**
Financial liabilities carried at amortised cost	**2,784**	**3,161**
Financial liabilities carried at fair value through profit and loss	**-**	**-**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

18. Provisions

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Provisions for employee benefits		
- Compensated absences	398	495
	398	**495**
Current		
Provision for warranty	1,630	226
Provision for liquidated damages	-	-
Provision for foreseeable losses on contracts	15	105
Provisions for employee benefits		
- Gratuity	56	29
- Compensated absences	369	314
	2,070	**674**

a) Provision for warranty

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	226	411
Provided/(Reversed) during the year, net	1,405	(185)
Utilised during the year	-	-
Balance at the end of the year	**1,631**	**226**

A provision is recognised for expected warranty claims on construction contracts completed, based on past experience of level of repairs and returns. It is expected that these costs would be predominantly incurred within one year from the balance sheet date, which generally coincides with the completion of warranty period of the contract. The assumption used to calculate the provision for warranties are based on the Company's current status of contracts under execution and information available about expenditure more probable to be incurred based on the company's warranty period for contracts completed.

b) Provision for liquidated damages

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	-	-
Created during the year, net	756	312
Utilised during the year	(756)	(312)
Balance at the end of the year	**-**	**-**

The Company provides for liquidated damages when it reasonably expects that a delay in the completion of the project or a shortfall in the performance parameters might give rise to a claim from the customer. In the event of failure to complete a project as scheduled, or in case of a performance shortfall, the Company may generally be held liable for penalties in the form of agreed liquidated damages. Liquidated damages are generally measured and recognised in accordance with the terms of the contracts with customers.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

c) Provision for foreseeable losses on contracts

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	105	-
Created / (Reversed) during the year, net	(90)	105
Utilised during the year	-	-
Balance at the end of the year	**15**	**105**

The Company provides for foreseeable losses on contracts when it is probable that total contract cost, including expected cost to complete, will exceed the economic benefits expected to be received under it.

d) Provision for employee benefits

i) Gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund maintained by ICICI Prudential Life Insurance.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Gratuity.

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Change in projected benefit obligation		
Defined benefit obligation at the beginning of the year	872	864
Current service cost	95	99
Past service cost	-	-
Interest cost	49	47
Actuarial gain/(loss)	(40)	(14)
Benefits paid	(97)	(124)
Defined benefit obligation at the end of the year	**879**	**872**
Thereof		
Unfunded	56	29
Funded	823	843
Change in plan assets		
Fair value of plan assets at the beginning of the year	**843**	**854**
Expected return on plan assets	53	53
Actuarial gain/(loss)	(5)	50
Employer contributions	29	11
Benefits paid	(97)	(124)
Fair value of plan assets at the end of the year	**823**	**843**
Reconciliation of present value of obligation on the fair value of plan assets		
Present value of defined benefit obligation at the end of the year	879	872
Fair value of plan assets at the end of the year	(823)	(843)
Liability recognised in the balance sheet	**56**	**29**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Components of net gratuity costs are:		
Current service cost	95	99
Interest cost	49	47
Past service cost	-	-
Expected return on plan assets	(53)	(53)
Recognised net actuarial (gain)/loss	(35)	(64)
Net gratuity costs recognised during the year	**56**	**29**
Plan assets do not comprise any of the Company's own financial instruments or any assets used by the Company.		
Plan assets can be broken down into the following categories of investments:		
Group balance fund	588	533
Group debt fund	234	309
Cash and cash equivalents	1	1
Total	**823**	**843**
Principal actuarial assumptions used:		
Discount rate	5.99%	6.26%
Long-term rate of compensation increase	5.00%	5% for first year there after 6%
Expected rate of return on plan assets	5.99%	6.26%
Average remaining life (in years)	21	22
Attrition rate	25.00%	15.00%

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Based on historical data, the Company expects contributions of INR 56 Lakhs to be paid for financial year 2021-22. The weighted average duration of the defined benefit obligation as at March 31, 2022 is 3.83 years (March 31, 2021: 6.05 years)

Employee benefits - Maturity profile

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2022					
Defined benefit obligation	283	175	353	191	**1,002**
March 31, 2021					
Defined benefit obligation	181	146	330	318	**975**

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability at March 31, 2022.

	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
March 31, 2022						
> Sensitivity Level	0.5%	(0.5%)	0.5%	(0.5%)	0.5%	(0.5%)
> Impact on defined benefit obligation	(0.13)	0.12	(11.71)	12.08	11.81	(11.59)
March 31, 2021						
> Sensitivity Level	0.5%	(0.5%)	0.5%	(0.5%)	0.5%	(0.5%)
> Impact on defined benefit obligation	(2)	2	(22)	24	22	(21)

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

ii) Compensated absences

The Company permits encashment of compensated absences accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Company does not maintain any plan assets to fund its obligation towards compensated absences. The total Compensated absences recognised in the statement of profit and loss for the year is INR 350 Lakhs (2020-21 INR 102 Lakhs).

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Principal actuarial assumptions used :		
Discount rate	5.99%	6.26%
Long-term rate of compensation increase	5.00%	5% for first year there after 6%
Average remaining life	23	23
Attrition rate	25.00%	15.00%

19. Other liabilities

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Advance from customers	3,660	11,076
	3,660	**11,076**
Current		
Statutory dues	537	625
Billing in advance of work completed	1,483	3,320
Advance from customers	9,679	16,619
Unbilled Payables*	24,959	31,644
Others	1,320	1,534
	37,978	**53,742**

* During the year, unbilled payables have been reclassified from trade payables to other current liabilities for better presentation and disclosed separately considering the principle of seperate discloure for unbilled dues provided by the amendment in Schedule III of Companies Act, 2013. Pursuant to such reclassification Balance Sheet as at April 01, 2020 has been presented in financial statements.

20. Borrowings

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current borrowings (Secured)		
Term loans from banks	7,372	10,551
	7,372	**10,551**
Current borrowings (Secured)		
From Banks		
Packing credit	8,230	7,293
Cash Credit	1,806	1,334
Working Capital Demand Loan	16,250	7,900
Current maturities of long term borrowings	6,225	4,430
	32,511	**20,957**

The carrying amount of short term borrowings is considered to be a reasonable approximation of fair value.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

a) Terms, repayment and guarantee details of borrowings

i) The Company has availed packing credit facilities in Indian rupees and US dollars at an interest rate of 7.50% p.a to 11.00% p.a (March 31, 2021: 7.00% p.a to 11.00% p.a) and 2.15% p.a to 2.65% p.a (March 31, 2021: 2.25% p.a to 4.82% p.a) respectively. These packing credits are repayable within 180 days, as applicable, from the date of availment and are secured against foreign currency receivables.

ii) The Company has availed cash credit facilities from banks at an interest rate of 7.90% p.a to 9.85% p.a (March 31, 2021: 7.90% p.a to 10.50% p.a)

iii) The Company has availed working capital facilities at an interest rate of 6.25% p.a to 9.75% p.a (March 31, 2021 : 8.20% p.a to 11.00% p.a) and is repayable within 180 days from the date of availment and are secured against receivables of the Company.

iv) The Company has availed term loan from bank which is secured by First pari-pasu charge on the entire current assets of the company along with other consortium member banks and exclusive charge on the corporate land and buildings of the company .The same has been obtained at an interest of 11.90% p.a and balance outstaning is repayable in 5 monthly instalments .

v) The Company has availed working capital term loan from various banks at an interest rate of 7.75% p.a to 8.80% p.a (March 31, 2021 : 7.75% p.a to 8.80% p.a) which is secured by second pari-pasu charge on the entire current assets of the company, repayable by 48 monthly instalments from the end of moratorium period .

vi) The Company has availed project term loan from bank at an interest of 4.10% p.a (March 31, 2021 :3.21% p.a) which is secured by Pari passu charge over present and future current assets of the companay, repayable within 2 years from disbursement (Balance outstanding is repayble with in 6 months from the end of financial year).

21. Current tax liabilities (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax liabilities net of advance taxes	1,928	1,217
	1,928	**1,217**

22. Financial instruments

Categories of financial assets and financial liabilities

Particulars	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Total
As at March 31, 2022			
Financial assets			
Investments	17	-	17
Loans	-	202	202
Trade receivables	-	181,661	181,661
Cash and bank balances	-	21,506	21,506
Other financial assets	-	9,657	9,657
	17	**213,026**	**213,043**
Particulars	**Financial liabilities at fair value through profit and loss**	**Financial liabilities at amortised cost**	**Total**
As at March 31, 2022			
Financial liabilities			
Trade payables	-	94,107	94,107
Borrowings	-	39,883	39,883
Other financial liabilities	-	2,784	2,784
Lease liabilities	-	-	-
	-	**136,774**	**136,774**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Total
As at March 31, 2021			
Financial assets			
Investments	17	-	17
Loans	-	208	208
Trade receivables	-	174,288	174,288
Cash and bank balances	-	21,700	21,700
Other financial assets	-	10,817	10,817
	17	**207,013**	**207,030**
Particulars	**Financial liabilities at fair value through profit and loss**	**Financial liabilities at amortised cost**	**Total**
As at March 31, 2021			
Financial liabilities			
Trade payables	-	95,019	95,019
Borrowings	-	31,508	31,508
Other financial liabilities	-	3,161	3,161
Lease liabilities	-	9	9
	-	**129,697**	**129,697**

Investments excludes equity and other instruments in subsidiaries and associates amounting to INR 5,573 Lakhs (previous year INR 3,339 Lakhs) which are measured at cost.

The carrying value of financial asset and financial liabilities approximates the fair value of financial asset and financial liabilities as at March 31, 2022 and March 31, 2021.

Also refer note 38 fair value measurement

23. Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of services		
Export	102,762	92,152
Domestic	108,283	89,992
	211,045	**182,144**
Other operating revenues, net (Also refer note 16 (b))*	3,216	2,169
	214,261	**184,313**

* Other operating revenue includes income from scrip sales and duty drawback of INR 1,051 Lakhs (March 31, 2021 : INR 711 Lakhs)

A Disaggregation of sale of services

Revenue from operations are disaggregated based on projects, based on customer, based on timing of revenue recognition and based on geography.

a) Based on Product	Year ended March 31, 2022	Year ended March 31, 2021
Construction contracts	183,429	153,348
Operation and maintenance contracts	27,616	28,796

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

b) Based on Customer	Year ended March 31, 2022	Year ended March 31, 2021
Industrial	89,804	54,093
Municipal	121,242	128,051

c) Based on Timing of revenue recognition

Revenues from construction contracts and operation and maintenance contracts are recognised on 'Over a point in time' basis and 'At a point in time' basis respectively.

d) Based on geography

Revenue from operations can be disaggregated based on geography into 'India' and 'Rest of the World'. Refer the above note for classification.

B Transaction price allocated to the remaining sales contracts (Order backlog)

Revenues expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied as at March 31, 2022 amounting to INR 673,608 Lakhs (March 31, 2021 : INR 631,228 Lakhs)

Construction contracts are progressively executed over a period of upto 3 years and based on specific project schedules. Operation and maintenance contracts are expected to be executed over a period of 1 to 15 years, primarily on a monthly basis.

C Reconciliation of sale of services with contract price

	Year ended March 31, 2022	Year ended March 31, 2021
Opening contract price of orders as at April 1,	**631,228**	**614,417**
Fresh orders /Change in orders received, net	246,295	198,272
Total revenue recognised during the year	(211,045)	(182,144)
Effects of foreign exchange movement	7,130	683
Closing contract price of orders as at March 31,	**673,608**	**631,228**

24. Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Loss on sale of property, plant and equipment, net	9	17
Interest income on fixed deposits and others	414	496
Dividend income	615	401
Profit & Loss on Sale of Investments	-	62
Foreign currency gain, net	1,788	-
	2,826	**976**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

25. Cost of sales and services

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Material costs	84,404	65,682
Civil costs	45,057	45,240
Erection and commissioning costs	7,687	7,312
Taxes and duties	1,557	581
Site establishment costs	5,766	7,532
Engineering costs	3,701	1,242
Project consultancy fee	377	315
Warranty expenses (Also refer note 18(a))	1,405	(185)
Foreseeable losses on contracts (Also refer note 18(c))	(90)	105
Project travel	1,156	771
Insurance costs	705	603
Power and fuel	283	235
Liquidated damages (Also refer note 18(b))	756	312
Other operation and maintenance expenses, net	7,692	9,034
Other project expenses, net	9,487	6,396
	169,943	**145,175**

26. Changes in inventories

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year			
Contract inventories		62	172
Stores and spares		788	585
	(A)	**850**	**757**
Less: Inventories at the end of the year			
Contract inventories		8	62
Stores and spares		842	788
	(B)	**850**	**850**
Total	**(A-B)**	**-**	**(93)**

27. Employee benefits expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	14,042	9,625
Gratuity and compensated absences (Also refer note 18(d))	435	195
Contribution to provident and other defined contribution funds	580	564
Staff welfare expenses	544	272
	15,601	**10,656**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

28. Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest expenses for borrowings at amortised cost	3,337	3,327
Bank charges	4,151	4,202
Interest on lease liabilities	1	3
	7,489	**7,532**

29. Depreciation and amortisation expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property,plant and equipment (Also refer note 4)	471	557
Amortisation of intangible assets (Also refer note 4)	61	49
	532	**606**

30. Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rent (Also refer note 34)	210	181
Insurance	81	109
Power and fuel	156	140
Rates and taxes	33	229
Repairs and maintenance	456	196
Professional charges (Also refer note 35)	1,269	992
Communication expenses	62	34
Travelling and conveyance	168	91
Foreign exchange loss, net	-	1,134
Bad and doubtful debts, net	6,026	6,921
Impairment of investments	1,582	-
Corporate social responsibility expenses (Also refer note 36)	162	230
Printing and stationery	41	40
Office and maintenance expenses	156	210
Miscellaneous expenses	910	1,122
	11,312	**11,629**

31. Income taxes

The major components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax:		
Income tax expense	3,617	2,580
Deferred tax:		
Relating to origination and reversal of temporary differences	(625)	(99)
Tax expense reported in the statement of profit and loss	**2,992**	**2,481**
Income tax relating to items that will not be reclassified to profit and loss	9	16
Tax expense reported in other comprehensive income	**9**	**16**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Tax reconciliation:

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Company at 25.168% (March 31, 2021: 25.168%) and the reported tax expense in the statement of profit and loss are as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before taxes	12,210	9,784
Enacted tax rates	25.168%	25.168%
Tax on profit at enacted tax rate	3,073	2,462
Dividend Income taxed at lower rate	(49)	(32)
Tax effect on non deductible expenses	(26)	44
Others	(5)	7
Income tax expense	**2,992**	**2,481**
Current tax	3,617	2,580
Deferred tax	(625)	(99)
Income tax expense reported in the statement of profit and loss	**2,992**	**2,481**

32. Earnings per equity share (EPS)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
For profit for the year		
Nominal value of equity shares (in INR)	2	2
Profit attributable to equity shareholders (A)	9,218	7,303
Weighted average number of equity shares outstanding during the year (B)	62,190,428	58,471,250
Basic earnings per equity share (A/B) (in INR)	**14.82**	**12.49**
For total comprehensive income		
Nominal value of equity shares (in INR)	2	2
Total comprehensive income attributable to equity shareholders (a)	9,244	7,351
Weighted average number of equity shares outstanding during the year (b)	62,190,428	58,471,250
Basic earnings per equity share (a/b) (in INR)	**14.86**	**12.57**
For profit for the year		
Dilutive effect on profit (C)	-	-
Profit attributable to equity shareholders for computing diluted EPS (D) = (A+C)	9,218	7,303
Dilutive effect on weighted average number of equity share options outstanding during the year (E)	-	-
Weighted average number of equity shares for computing diluted EPS (F) = (B+E)	62,190,428	58,471,250
Diluted earnings per equity share (D/F) (in INR)	**14.82**	**12.49**
For total comprehensive income		
Dilutive effect on profit (c)	-	-
Total comprehensive income attributable to equity shareholders for computing diluted EPS (d) = (a+c)	9,244	7,351
Dilutive effect on weighted average number of equity share options outstanding during the year (e)	-	-
Weighted average number of equity shares for computing diluted EPS (f) = (b+e)	62,190,428	58,471,250
Diluted earnings per equity share (d/f) (in INR)	**14.86**	**12.57**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

33. Contract assets and contract liabilities

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Contract Balances		
Movement in contract assets		
Opening balance	**48,937**	**59,808**
Changes in the measure of progress, claims and other adjustments, net	15,445	9,648
Transfer to trade receivables, net	(24,407)	(20,519)
Closing balance	**39,975**	**48,937**

	Year ended March 31, 2022	Year ended March 31, 2021
Movement in contract Liabilities		
Opening balance	**31,016**	**20,558**
Advances received during the year	12	16,101
Billing in advance for work completed	1,379	3,290
Advances offset against billing, net	(14,367)	(8,737)
Revenues recognised during the period	(3,216)	(196)
Closing balance	**14,824**	**31,016**

34. Leases

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(A) Expenses related to leases recognised in Statement of Profit and Loss for the Year ended :		
Depreciation expense from right to use assets	9	28
Interest expenses on lease liabilities	1	3
Expenses relating to short term leases (Refer note : 30)	210	181
(B) Payments related to leases recognised in Statement of Cash Flows for the Year ended :		
Recognition of finance lease liabilities	9	28
Interest paid on finance lease liabilities	1	3

	As at March 31, 2022	As at March 31, 2021
(C) Maturity analysis of lease liabilities		
Current lease liabilities liquidity analysis		
Within 6 months	-	9
Within 6-12 months	-	-

Right to Use of asset for the year ended March 31, 2022 has been seperately disclosed in Note 4

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

35. Remuneration to auditors (included as part of Professional charges)*

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
As auditor		
Statutory audit	38	33
Limited review	13	10
Taxation matters	4	3
Other services	10	16
Reimbursement of expenses	2	2
	67	**64**

* excluding taxes

36. Expenditure on Corporate Social Responsibility (CSR)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Amount required to be spent by the company during the year,	162	230
b) Amount of expenditure incurred *	162	230
c) Shortfall at the end of the year,	-	-
d) Total of previous years shortfall,	-	-
e) Nature of CSR activities#	-	-
f) Details of related party transactions	-	-

*Includes amount transferred to separate bank account towards ongoing CSR projects

#Water Conservation and Environmental Sustainability

37. Related party disclosures

a) Names of related parties and nature of relationship

Nature of relationship	Name of related party
Subsidiary companies	VA Tech Wabag (Singapore) Pte Limited, Singapore
	VA Tech Wabag GmbH, Austria
	Wabag Wassertechnik AG, Switzerland
	VA Tech Wabag Deutschland GmbH, Germany
	VA Tech Wabag Brno spol S.R.O, Czech Republic
	Wabag Water Services s.r.l., Romania
	VA Tech Wabag Tunisie s.a.r.l, Tunisia
	VA Tech Wabag Su Tecknolojisi Ve Tic A.S, Turkey
	VA Tech Wabag Muscat LLC, Oman
	VA Tech Wabag (Philippines) Inc, Philippines
	VA Tech Wabag Limited Pratibha Industries Limited JV, Nepal
	Wabag Limited, Thailand
	Wabag Operation and Maintenance WLL, Bahrain (Disinvested effective August 13, 2020)
	Wabag Muhibbah JV Sdn Bhd, Malaysia
	Wabag Belhasa JV WLL, Bahrain
	VA Tech Wabag and Roots Contracting LLC, Qatar
	VA Tech Wabag Brazil Servicos De Agua E Saneamento LTDA (Liquidated September 30, 2020)
	Ganga STP Project Private Limited (Subsidiary upto September 22, 2021)
	DK Sewage Project Private Limited (Incorporated effective September 26, 2019)
	Ghaziabad Water Solutions Private Limited (Formerly known as Digha STP Projects Private Limited) (Incorporated effective April 30, 2020)
	Kopri Bio Engineering Private Limited (Incorporated effective November 27, 2020)

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Nature of relationship	Name of related party
Associate	Windhoek Goreangab Operating Company (Pty) Limited, Namibia
	Ganga STP Project Private Limited (Associate effective September 22, 2021)
	VA Tech Wabag and Roots Contracting LLC, Qatar
	Thoothukudi Renew Waters Private Limited
Joint Venture	International Water Treatment LLC, Oman(Liquidated on April 17, 2022)
Key Managerial Personnel (KMP)	Mr. Rajiv Mittal - Chairman, Managing Director & Group Chief Executive Officer (appointed as Chairman w.e.f March 26, 2022)
	Mr. S Varadarajan - Whole Time Director & Chief Growth Officer
	Mr. Malay Mukherjee - Independent director, Chairman (Appointed as Chairman w.e.f September 23, 2020) (Ceased to be a director w.e.f January 29, 2022)
	Mr. Bhagwan Dass Narang - Independent director, Chairman (Retired w.e.f September 23, 2020)
	Mr. Milin Mehta - Independent director
	Ms. Revathi Kasturi - Independent director (Retired w.e.f September 23, 2020)
	Ms. Vijaya Sampath - Independent director (Appointed w.e.f July 31, 2020)
	Mr. Anil Chandanmal Singhvi - Additional director (Resigned w.e.f August 21, 2020)
	Mr. Ranjit Singh - Additional director (Appointed w.e.f November 11, 2020)
	Mr. Amit Goela - Non Executive Non Independent director (Appointed w.e.f July 19, 2021)
	Mr. Sandeep Agrawal - Chief Financial Officer (Resigned w.e.f June 07, 2021)
	Mr. Skandaprasad Seetharaman - Chief Financial Officer (Appointed w.e.f June 08, 2021)
	Mr. Pankaj Sachdeva - CEO, India Cluster
	Mr. Arulmozhi - CFO, India Cluster (Appointed w.e.f June 01, 2021)
Other Related Party	Mr. Rohan Mittal- Engineer , Relative of Managing Director

Note: The Board of Directors of the Company, at their meeting held on May 27, 2022 appointed Mr. Shailesh Kumar as KMP with immediate effect and as CEO India cluster w.e.f October 01, 2022.

b) Transactions with related parties

Particulars	Year ended March 31, 2022				Year ended March 31, 2021			
	Subsidiaries	Associates	Joint venture	KMP and other related party	Subsidiaries	Associates	Joint venture	KMP and other related party
Sale of goods/services	8,525	5,881	-	-	15,674	82	-	-
Purchase of goods/services	11,307	-	-	-	7,135	-	-	-
Purchase of investments	2,864	952	-	-	876	-	-	-
Other operating income	527	736	-	-	675	206	-	-
Other expenses	420	-	-	-	524	-	-	-
Reimbursements received/ receivable	34	-	-	-	134	1	-	-

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

c) Balances with related parties

Particulars	As at March 31, 2022				As at March 31, 2021			
	Subsidiaries	Associates	Joint venture	KMP and other related party	Subsidiaries	Associates	Joint venture	KMP and other related party
Advances/ amount recoverable	16,604	137	-	-	17,704	321	158	-
Loan to/(from) including interest and amounts payable	202	-	-	(84)	208	-	-	(33)
Creditors/payables	6,575	77	-	-	3,106	-	5	-

All transactions with these related parties are priced on an arm's length basis. None of the balances are secured.

Note:

The maximum amount of Loans and advances in the nature of Loans outstanding during the year in accordance with Regulation 34(3) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015 is as below:

i) Wabag Limited, Thailand - INR 205 Lakhs (March 31, 2021 INR 289 Lakhs)

d) List of guarantees

Purpose of Guarantee	As at March 31, 2022				As at March 31, 2021			
	Subsidiaries	Associates	Joint venture	KMP and other related party	Subsidiaries	Associates	Joint venture	KMP and other related party
Corporate guarantee for securing banking lines	952	-	-	-	6,110	-	-	-
Bank guarantee for contract performance	6,005	-	-	-	5,900	1,443	-	-

e) Remuneration to Key Managerial Personnel and Other Related Parties

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries including bonus	715	478
Post employment and termination benefits	61	56
Commission	71	69

38. Fair value measurement

Fair value measurement hierarchy

The Company records certain financial assets and financial liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Company holds certain fixed income investments and other financial assets such as employee loans, deposits etc. which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of fair value hierarchy. These levels are based on the observability of significant inputs to the measurement, as follows:

> **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities

> **Level 2:** Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs)

The following table shows the Levels within the hierarchy of financial and non-financial assets and liabilities measured at fair value on a recurring basis at March 31, 2022, March 31, 2021:

(a) Quantitative disclosures fair value measurement hierarchy for assets as at March 31,:

	Fair value measurement using				
	Date of valuation	Carrying value	Level 1	Level 2	Level 3
i) Assets measured at fair value:					
Fair value through statement of profit and loss					
Investments					
2022	March 31, 2022	17	-		17
2021	March 31, 2021	17	-	-	17

	Fair value measurement using				
	Date of valuation	Carrying value	Level 1	Level 2	Level 3
ii) Liabilities measured at fair value:					
Financial guarantees					
2022	March 31, 2022	-	-	-	-
2021	March 31, 2021	-	-	-	-

iii) Liabilities measured at amortised cost:

a) Interest-bearing loans and borrowings:

The Company ensures a balanced portfolio of fixed and floating rate loans and borrowings. The Company's borowings as at March 31, 2022 of INR 27,564 Lakhs (March 31, 2021 INR 20,901 Lakhs) and of INR 12,319 Lakhs (March 31, 2021 INR 10,607 Lakhs) are on fixed rate and floating rate basis of interest respectively .

The fair values of the Company's interest-bearing borrowings and loans are determined under amortised cost method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. These rates are considered to reflect the market rate of interest and hence the carrying value are considered to be at fair value.

39. Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its and group companies operations. The Company's principal financial assets include investments, loans, trade and other receivables, cash and short-term deposits that derive directly from its operations. The Company also enters into derivative transactions and holds short term investments.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Group Treasury Team that advises on financial risks and the appropriate financial risk governance framework in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by Group Treasury Team that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree on policies for managing each of these risks, which are summarised below.

a) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Interest rate sensitivity

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% for the year ended 31 March 2022 (31 March 2021: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. Sensitivity calculations are based on a annualized interest cost on the borrowings at floating rate as of the reporting dates 31 March 2022 and 31 March 2021 . All other variables are held constant.

Particulars		As at 31 March 2022	As at 31 March 2021
Profit before tax			
Increase	+1%	123	106
Decrease	-1%	(123)	(106)
Equity before tax			
Increase	+1%	123	106
Decrease	-1%	(123)	(106)

Foreign currency risk

Most of the Company's transactions are carried out in Indian rupees. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars (USD) and Euro (EUR).

To mitigate the Company's exposure to foreign currency risk, cash flows are monitored and forward exchange contracts are entered into in accordance with the Company's risk management policies. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward exchange contracts are mainly entered into for net foreign currency exposures that are not expected to be offset by other same currency transactions.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Foreign currency denominated financial assets and financial liabilities which predominantly expose the Company to currency risk are disclosed below. The amounts shown are those reported to key management and are translated at the closing rate:-

	Foreign currency exposure (in INR in Lakhs)	
	USD	**EUR**
March 31, 2022		
Financial assets	69,499	16
Financial liabilities	15,268	7,715
March 31, 2021		
Financial assets	57,163	838
Financial liabilities	18,315	3,885

Currency risk (or foreign exchange risk) arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this disclosure, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

The following table illustrates the sensitivity of profit and equity in regards to the Company's financial assets and financial liabilities and the USD/ INR exchange rate and EUR/ INR exchange rate 'all other things being equal'. It assumes a +/- 1% change of the INR /USD and INR /EUR exchange rate for the year ended March 31, 2022 (March 31, 2021: 1%).

If the INR had strengthened against the USD by 1% during the year ended March 31, 2022 (March 31, 2021: 1%), and EUR by 1% during the year ended March 31, 2022 (March 31, 2021: 1%) respectively then this would have had the following impact on profit before tax and equity before tax:

		As at March 31, 2022	As at March 31, 2021
Profit before tax			
USD	+1%	542	388
EUR	+1%	(77)	(30)
		465	**358**
Equity before tax			
USD	+1%	542	388
EUR	+1%	(77)	(30)
		465	**358**

If the INR had weakened against the USD by 1% during the year ended March 31, 2022 (March 31, 2021: 1%) and EUR by 1% during the year ended March 31, 2022 (March 31, 2021: 1%) respectively, there would be an equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remain constant.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

b) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, placing deposits, investment in mutual funds etc. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at March 31, as summarised below:

	As at March 31, 2022	As at March 31, 2021
Classes of financial assets		
Trade receivables	181,661	174,288
Cash and bank balances	21,506	21,700
Other financial assets	9,657	10,817

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters.

In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics other than matters disclosed in note 46. Customer credit risk is managed based on the Company's established policy, procedures and control relating to customer credit risk management, pursuant to which outstanding customer receivables are regularly monitored by the management. Outstanding customer receivables are regularly monitored by the management to ensure the risk of credit loss is minimal. Credit quality of a customer is assessed based on historical information in relation to pattern of collections, defaults and credit worthiness of the customer. As at March 31, 2022, the Company had 18 (Previous year 2020-21 : 16) customers that owed the Company more than INR 3,000 Lakhs each and accounted for approximately 85% (Previous year 2020-21: 82%) of all the receivables outstanding. As at March 31, 2022, the Company has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired.

The credit risk for cash and cash equivalents, fixed deposits and mutual funds are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other financial assets mainly comprises of tender deposits and security deposits which are given to customers or other governmental agencies in relation to contracts executed and are assessed by the Company for credit risk on a continuous basis.

c) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in Lakhs of Indian Rupees, unless otherwise stated)

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all contractually due within six months except for retention and long term trade receivables which are governed by the relevant contract conditions.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and short-term borrowings. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below analyses non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows including interest as at March 31, 2022 and March 31, 2021.

As at March 31, 2022	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Borrowings	32,989	-	7,372	-
Trade payables	77,637	-	16,470	-
Other financial liabilities	2,673	-	111	-
Lease liabilities	-	-	-	-
	113,299	**-**	**23,953**	**-**

As at March 31, 2021	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Borrowings	21,344	-	10,551	-
Trade payables	82,101	-	12,918	-
Other financial liabilities	3,020	-	141	-
Lease liabilities	9	-	-	-
	106,474	**-**	**23,610**	**-**

40. Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (March 31, 2022) and the date of authorisation, other than those disclosed under respective notes.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

41. Contingent liabilities, commitments and guarantees

a) Claims against the Company not acknowledged as debt

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax demand including interest contested in appeal for various assessment years	413	440
Indirect tax matters under dispute including interest contested in appeal for various years	6,837	6,699

b) Capital commitments

The estimated amounts of contracts to be executed on capital account and not provided for (net of advances) Nil (Previous year – Nil). Other commitments are cancellable at the option of the company and hence not disclosed.

c) Guarantees excluding financial guarantees

Particulars	As at March 31, 2022	As at March 31, 2021
Guarantees issued by the Company for:		
- subsidiaries/joint venture/ associates	6,005	7,342

42. Segment reporting

The Company publishes standalone financial statements along with the consolidated financial statements in the annual report. In accordance with Ind AS 108, Operating segments, the Company has disclosed the segment information in the consolidated financial statements.

43. Analytical ratios

Particulars	2021-22	2020-21	Change	Numerator	Denominator
Current Ratio	1.42	1.48	(4.5%)	Current assets	Current Liabilities
Debt-Equity Ratio	0.32	0.27	17.3%	Total Debt (Long & Short term)	Shareholder’s Equity
Debt Service Coverage Ratio	0.30	0.32	(6.1%)	Earnings available for debt service	Debt Service
Return on Equity Ratio (ROE)	7.6%	6.8%	11.5%	Net Profits after taxes	Average Shareholder’s Equity
Inventory turnover Ratio	20.69	18.89	9.5%	Cost of goods sold or sales	Average Inventory
Trade Receivables turnover Ratio	1.19	1.07	10.4%	Net Credit Sales	Average Accounts Receivable
Trade payables turnover Ratio	1.80	1.71	4.9%	Net Credit Purchases	Average Trade Payables
Net capital turnover Ratio*	3.27	2.33	40.7%	Net Sales	Working Capital
Net profit Ratio	4.4%	4.0%	8.9%	Net Profit	Net Sales
Return on Capital employed (ROCE)	12.0%	11.2%	6.8%	Earning before interest and taxes	Capital Employed

* Revenue growth along with higher efficiency on working capital improvement has resulted in an improvement in the ratio.

All investments are non current in nature and invested in group companies as equity instruments, hence return on investment ratio is not computed.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

44. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

45. Additional disclosures under schedule III division II

a) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority

c) As per the information available with the Company, the Company has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

d) There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period.

e) Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2022.

46. The Company has been executing certain projects for Andhra Pradesh Power Generation Corporation Limited (APGENCO) and Telangana State Power Generation Corporation Limited (TSGENCO) as part of a consortium. With financial difficulties faced by other two partners, the Company took over as consortium leader for these projects in 2014-15. Corporate insolvency resolution process was ordered against the erstwhile consortium leader Tecpro Systems Limited ('Tecpro') in 2017-18. The receivables from these projects, net of provision for expected credit losses are as follows:

a) The Company is pursuing legal action to recover an amount of INR 6,953 Lakhs from Tecpro held under trust. The Company expects to recover these dues through National Company Law Tribunal post the ruling in National Company Law Appellate Tribunal.

b) The Company has completed the project for TSGENCO and is in the process of recovering the receivables and retentions of INR 13,099 Lakhs. The supreme court has appointed a sole arbitrator to decide on all claims between the parties and the company expects to recover the receivables and retention on completion of the arbitration process.

c) The receivables and retentions pertaining to APGENCO project of INR 18,662 Lakhs, are recoverable progressively upon satisfactory completion of the contractual milestones.

Notes 1 to 46 form an integral part of the standalone financial statements

In terms of our report even date attached

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

V Viswanathan
Partner
(Membership No.: 215565)

May 27, 2022
Chennai

Milin Mehta
Director
(DIN:01297508)

Skandaprasad Seetharaman
Chief Financial Officer

May 27, 2022
Chennai

Rajiv Mittal
Chairman cum Managing Director & Group CEO
(DIN:01299110)

R Swaminathan
Company Secretary
(Membership No:A17696)

Independent Auditor's Report

To the members of VA Tech Wabag Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated financial statements of VA Tech Wabag Limited (hereinafter referred to as the "Company" / "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which includes Group's share of profit in its associates and its jointly controlled entity, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

Basis of Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("Standards") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its associates and jointly controlled entity in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw reference to the note 49 of the consolidated financial statements which describes that the Company has been executing projects for Andhra Pradesh Power Generation Corporation Limited and Telangana Power Generation Corporation Limited as part of a consortium. The Company took over the projects as consortium leader in 2014-15 and a corporate insolvency resolution process was ordered against the erstwhile consortium lead member Tecpro Systems Limited ('Tecpro') in 2017-18. The net receivables on these projects of INR 38,714 Lakhs, its status and process of recoverability is explained in the aforementioned note. Our opinion is not modified in this regard.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Independent Auditors' Report (Contd.)

S. No	Key audit matter description and principal audit procedures
1	**Revenue recognition** Refer Notes 4.4, 11 and 23 in consolidated financial statements The Group recognises revenue and margin on the stage of completion based on the proportion of contract costs incurred relative to the estimated total costs of each contract (referred to as 'percentage of completion method'). The recognition of revenue and margin therefore relies on estimates in relation to the estimated total costs on each contract. Cost contingencies may also be included in these estimates to take account of specific uncertain risks arising within each contract. These cost estimates are reviewed by the Group on a regular basis during contract execution and adjusted where appropriate. There is significant judgement by the management of the Group in estimating the amount of revenue and margin to be recognised by the Group up to the balance sheet date and changes to these estimates could give rise to material variances and hence revenue recognition has been considered as a key audit matter.
	Our procedures include the following: • Evaluate and test key controls in the management processes in relation to recognition of revenue and margin including: - the preparation, review and authorisation of contract review sheets for contracts which contains estimated total costs for the contracts including cost contingencies - the project reviews that are undertaken by the management of the Group - the controls in relation to accrual of cost towards materials and services • Recalculate revenue recognised under the percentage of completion method on a test basis • Evaluate the financial performance of contracts against budget / earlier year estimates and obtain reasons for significant variances thereto • Test the contract value, costs incurred to date including the costs accrued for work completed, total estimated contract costs for a sample of contracts selected based on factors such as value of contracts, material new contracts and contracts where significant risks have been identified by the management of the Group • Conduct site visits on a test basis to confirm our understanding of the risks and controls at site level • Review the management's assessment of pre-GST taxes adjustment for projects where it is under finalisation with customers
2	**Dues from customers (unbilled) and Trade receivables** Refer Notes 4.4, 7, 11, 33 and 49 in consolidated financial statements The Group measures revenue to be recognised based on the contract costs incurred till the reporting date over the total estimated costs for each contract. Such revenue recognised in excess of progress billing till the reporting date is presented as 'Dues from customers' which are yet to be billed to the customers. Such Dues from customers are accounted based on the contractual terms and management's assessment of recoverability from customers. Management also assesses the recoverability of Trade receivables including those which have remained unsettled beyond contractual credit period using judgement and past collection trends in similar contracts and customers. The management of the Group estimates and recognises allowance for expected credit losses on Trade receivables and Dues from customers which involves estimation of expected default and/or delay in the customer making payment over the duration of the contract and realisability of Dues from customers, considering the past trend and its assessment on the reporting date. The valuation of Dues from customers and Trade receivables involves significant management judgement and estimates as stated above, and hence it has been considered as a key audit matter.

Independent Auditors' Report (Contd.)

S. No	Key audit matter description and principal audit procedures
	Our procedures include the following: • Evaluate management's processes and controls in respect of Dues from customers and Trade receivables for the following, - risk assessment pertaining to invoicing and recoverability - assessment of the probability of default and delay - assessment of the significant increases in credit risk, if any • Request confirmation of balances from customers having significant outstanding balances as at the reporting date • Review the project progress, invoicing and collection history of customers with significant Dues from customers or Trade receivables. Discuss with the project team to understand the management's assessment of risk associated with recoverability • Analyse the past trend and inquire into the reasonableness of expected credit loss allowance matrix developed by the management of the Group for estimating the allowance for Trade receivables • Consider the subsequent events and collections in assessing the recoverability of Dues from customers and Trade receivables • Consult legal counsel wherever necessary for legal disputes to assess the valuation of Trade receivables

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Board of Directors of the Holding Company is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility Report and Report on Corporate Governance but does not include the consolidated financial statements and our report thereon.

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

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

Responsibilities of management and those charged with Governance for the Consolidated Financial Statements

The Board of Directors of the Holding Company is responsible for the matters stated in section 134(5) of the Act with respect to preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates and jointly controlled entity in accordance with the Ind AS prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and jointly controlled entity and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for assessing the ability of the Group and of its associates and jointly controlled entity to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group, its associate and jointly controlled entity or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and jointly controlled entity are responsible for overseeing the financial reporting process of the Group and of its associates and jointly controlled entity

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal financial controls with reference to financial statements relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company, its subsidiary companies and associate company incorporated in India, have adequate internal financial controls with reference to consolidated financial statements system in place with reference to the financial statements 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 the management of the Holding Company.
- 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 ability of the Group, its associates and jointly controlled entity 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 consolidated 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 Group, its associates and jointly controlled entity to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group, its associates and jointly controlled entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the

audit of the financial statements of the Holding Company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

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

Other matters

The consolidated financial statements include the financial statements of nineteen subsidiaries, whose financial information reflect total assets of INR 140,778 Lakhs and net assets of INR 40,615 Lakhs as at 31 March 2022, total revenues of INR 105,092 Lakhs, total comprehensive income of INR 5,075 Lakhs and net cash outflows amounting to INR 6,550 Lakhs for the year ended on that date, which have not been audited by us. The consolidated financial statements also include the Group's share of total comprehensive loss (net) of INR 316 Lakhs for the year ended 31 March 2022, in respect of three associates and a jointly controlled entity, whose financial statements have not been audited by us. The financial information of these subsidiaries, associates and jointly controlled entity have been audited by other auditors whose reports have been furnished to us by the management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, associates and jointly controlled entity, and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information, in so far as it relates to the aforesaid subsidiaries, associates and jointly controlled entity, is based solely on the reports of such other auditors

Our opinion above on the consolidated financial statements and our report on other legal and regulatory requirements below, are not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies incorporated in India which are included in these Consolidated Financial Statements.

2. As required by Section 143(3) of the Act, to the extent applicable and based on our audit and consideration of other auditors' reports, 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 of the aforesaid consolidated financial statements

   (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors

(c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements

(d) in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act and read with Companies (Indian Accounting Standards) Rules, 2015, as amended

(e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of subsidiary companies and associate company incorporated in India, none of the directors of the Holding Company, subsidiary companies and associate company incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act

(f) with respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on our report of the Holding Company, its subsidiary companies and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for those Companies

(g) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. the Group, as detailed in Note 46 to the consolidated financial statements, has disclosed the impact of pending litigations on its consolidated financial position of the Group;

ii. the Group, as detailed in Note 19 to the consolidated financial statements, has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate company incorporated in India.

iv. (a) the management of the group has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) the management of the group has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

For **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 22215565AJTMZJ9458

Place: Chennai
Date: 27 May 2022

Annexure A to the Independent Auditor's Report

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of VA Tech Wabag Limited of even date)

Independent Auditor's Report on the Internal financial controls with reference to consolidated financial statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of the VA Tech Wabag Limited (hereinafter referred to as "Holding Company") as of and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate company which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("the 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 the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate company which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements 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 with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies and associate company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and associate company which are companies incorporated in India.

Meaning of Internal financial controls with reference to financial statements

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

Annexure A to the Independent Auditor's Report (Contd.)

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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements 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 to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies and associate company which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2022, based on the internal control with reference to financial statements criteria established by the respective companies 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.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to three subsidiary companies and an associate, which are companies incorporated in India, is based solely on the corresponding reports furnished to us by the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of such other auditors.

For **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 22215565AJTMZJ9458

Place: Chennai
Date: 27 May 2022

Consolidated Balance Sheet as at March 31, 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Note	As at March 31, 2022	As at March 31, 2021	As at April 01, 2020
ASSETS				
Non-current assets				
Property, plant and equipment	5	7,663	8,364	8,387
Intangible assets	5	332	267	247
Investments accounted for using the equity method	6	3,343	1,982	1,525
Financial assets				
- Investments	6	414	453	465
- Trade receivables	7	74,559	54,759	42,632
- Other financial assets	8	5,110	6,310	3,092
Deferred tax assets (net)	9	3,617	2,947	2,453
Income tax assets (net)	10	8,563	10,347	10,179
Other non-current assets	11	258	214	306
		103,859	**85,643**	**69,286**
Current assets				
Inventories	12	3,195	2,976	2,641
Financial assets				
- Trade receivables	7	132,553	134,961	158,935
- Cash and cash equivalents	13	32,101	30,377	24,891
- Bank balances other than those mentioned in cash and cash equivalents	13	10,758	6,754	7,163
- Other financial assets	8	3,935	7,932	4,944
Other current assets	11	113,833	147,479	134,496
		296,375	**330,479**	**333,070**
Total assets		**400,234**	**416,122**	**402,356**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	1,244	1,244	1,094
Other equity				
- Securities premium reserve		39,391	39,391	27,762
- Reserves and surplus		113,277	100,342	88,588
Share application money pending allotment		-	-	-
Equity attributable to owners of the Parent		**153,912**	**140,977**	**117,444**
Non-controlling interest		(1,326)	(1,343)	(225)
Total equity		**152,586**	**139,634**	**117,219**
Liabilities				
Non-current liabilities				
Financial liabilities				
- Borrowings	16	9,360	13,202	2,968
- Lease liabilities		484	619	89
- Trade payables				
total outstanding dues of micro enterprises and small enterprises	17	-	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	17	15,509	13,171	13,617
Other financial liabilities	18	111	141	163
Provisions	19	1,263	1,349	1,346
Deferred tax liabilities (net)	9	327	413	197
Other non-current liabilities	20	3,660	11,076	8,271
		30,714	**39,971**	**26,651**
Current liabilities				
Financial liabilities				
- Borrowings	16	33,489	21,750	48,990
- Lease liabilities		259	274	163
- Trade payables				
total outstanding dues of micro enterprises and small enterprises	17	1,294	2,268	1,275
total outstanding dues of creditors other than micro enterprises and small enterprises	17	97,240	105,503	80,872
Other financial liabilities	18	3,135	3,408	3,350
Other current liabilities	20	72,293	96,853	117,942
Provisions	19	6,901	4,865	4,457
Current tax liabilities (net)	21	2,323	1,596	1,437
		216,934	**236,517**	**258,486**
Total liabilities		**247,648**	**276,488**	**285,137**
Total equity and liabilities		**400,234**	**416,122**	**402,356**

Notes 1 to 49 form an integral part of these consolidated financial statements

In terms of our report even date attached

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

V Viswanathan
Partner
(Membership No.: 215565)

May 27, 2022
Chennai

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

Milin Mehta
Director
(DIN:01297508)

Rajiv Mittal
Chairman cum Managing Director & Group CEO
(DIN:01299110)

Skandaprasad Seetharaman
Chief Financial Officer

R Swaminathan
Company Secretary
(Membership No:A17696)

May 27, 2022
Chennai

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

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Note	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	23	297,930	283,449
Other income	24	3,239	821
Total income		**301,169**	**284,270**
Expenses			
Cost of sales and services	25	230,829	223,584
Changes in inventories	26	(259)	(276)
Employee benefits expense	27	25,066	19,852
Finance costs	28	8,770	9,030
Depreciation and amortization expense	29	1,013	1,213
Other expenses	30	18,595	18,413
Total expenses		**284,014**	**271,816**
Profit before share of net profits of investments accounted for using equity method and tax		**17,155**	**12,454**
Share of profit of associates and a joint venture, net		(316)	575
Profit before tax		**16,839**	**13,029**
Tax expense	31		
Current tax		4,372	3,184
Deferred tax		(739)	(237)
Profit for the year		**13,206**	**10,082**
Profit for the year attributable to:			
Owners of the parent		**13,191**	**11,011**
Non-controlling interests		15	(929)
		13,206	**10,082**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Re-measurement gains on defined benefit plans		49	61
- Income tax relating to items that will not be reclassified to profit and loss		(9)	(15)
- Exchange differences on translation of foreign operations		(22)	(8)
		18	38
Items that will be reclassified subsequently to profit and loss			
- Exchange differences on translation of foreign operations		(296)	715
		(296)	715
Other comprehensive income for the year, net of tax		**(278)**	**753**
Total comprehensive income for the year		**12,928**	**10,835**
Other comprehensive income for the year, net of tax attributable to:			
Owners of the parent		**(256)**	**761**
Non-controlling interests		(22)	(8)
		(278)	753
Total comprehensive income for the year attributable to:			
Owners of the parent		**12,935**	**11,772**
Non-controlling interests		(7)	(937)
		12,928	**10,835**
Earnings per equity share	32		
Basic (in INR)		21.21	18.83
Diluted (in INR)		21.21	18.83

Notes 1 to 49 form an integral part of these consolidated financial statements

In terms of our report even date attached

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

V Viswanathan
Partner
(Membership No.: 215565)

May 27, 2022
Chennai

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

Milin Mehta
Director
(DIN:01297508)

Rajiv Mittal
Chairman cum Managing Director & Group CEO
(DIN:01299110)

Skandaprasad Seetharaman
Chief Financial Officer

R Swaminathan
Company Secretary
(Membership No:A17696)

May 27, 2022
Chennai

Consolidated statement of Cash Flows for the year ended March 31, 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax	**16,839**	**13,029**
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization expense	1,013	1,213
Share of loss/(gain) from associates and a joint venture, net	316	(575)
Unrealised foreign exchange (gain)	(484)	(741)
Bad and doubtful debts, net	11,579	10,716
Unclaimed credit balances	(1,437)	(948)
(Gain) on sale of property, plant and equipment, net	(111)	(12)
(Gain) on liquidation of investment in associate	(655)	-
Interest expenses on lease liabilities	30	38
Interest expenses	3,597	3,620
Interest and Dividend income	(1,335)	(809)
(Reversal)/Provision for foreseeable losses on contracts	(90)	105
Provision for compensated absences and gratuity	875	236
Provision for liquidated damages	756	312
Provision/(Reversal) for warranty	305	(81)
Others	-	306
Operating profit before working capital changes	**31,198**	**26,409**
Changes in working capital		
(Increase) in trade receivables	(27,727)	(783)
Decrease/(Increase) in other financial assets	3,961	(5,714)
Decrease/(Increase) in other assets	33,647	(13,275)
(Increase) in inventories	(259)	(275)
Increase/(Decrease) in trade payables	(6,253)	28,772
Increase in other financial liabilities	307	35
(Decrease) in other liabilities	(31,992)	(18,148)
Increase/(Decrease) in provisions	143	(296)
Cash generated from operating activities	**3,025**	**16,725**
Direct taxes paid, net	(1,861)	(3,193)
Net cash generated from operating activities	**1,164**	**13,532**
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets (including capital advances)	(552)	(1,502)
Proceeds from sale of property, plant and equipment and intangible assets	288	142
Purchase of investments	(1,827)	-
Dividend received	862	143
Interest received	597	887
Net movement in bank deposits	(2,765)	(84)
Net cash (used in) investing activities	**(3,397)**	**(414)**

Consolidated statement of Cash Flows for the year ended March 31, 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
C. Cash flow from financing activities		
Proceeds from long term borrowings	3,351	11,410
(Repayment) of long term borrowings	(7,193)	(459)
Proceeds/(Repayment) of short term borrowings, net	12,104	(28,322)
Proceeds from issue of equity shares including securities premium	-	11,779
Recognition of lease liabilities	(150)	641
Interest paid on lease liabilities	(30)	(38)
Interest paid	(3,642)	(3,470)
Dividend paid (including additional tax on dividend)	24	(130)
Net cash generated from/(used in) financing activities	**4,464**	**(8,589)**
D.Net change in cash and cash equivalents	**2,231**	**4,529**
Effects of foreign currency translation	(101)	550
E. Cash and cash equivalents at the beginning	**30,378**	**24,891**
F. Bank overdraft at the beginning	**(407)**	**-**
G. Cash and cash equivalents in Cash Flow Statement at the end	**32,101**	**29,970**
Cash and cash equivalents include		
Cash on hand	142	91
Cheques on hand	5,149	3,055
Balances with banks		
- in current accounts	19,480	16,694
- in deposit account (with original maturity upto 3 months)	7,330	10,537
Cash and cash equivalents as per note 13	**32,101**	**30,377**
Bank overdraft as per note 16	-	(407)
Cash and cash equivalents in Cash Flow Statement	**32,101**	**29,970**

Notes 1 to 49 form an integral part of these consolidated financial statements

In terms of our report even date attached

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

Milin Mehta
Director
(DIN:01297508)

Rajiv Mittal
Chairman cum Managing Director & Group CEO
(DIN:01299110)

V Viswanathan
Partner
(Membership No.: 215565)

Skandaprasad Seetharaman
Chief Financial Officer

R Swaminathan
Company Secretary
(Membership No:A17696)

May 27, 2022
Chennai

May 27, 2022
Chennai

Consolidated statement of Changes in Equity for the year ended March 31, 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

A. Equity share capital (Issued, Subscribed and fully paid-up)

Particulars	Notes	Amount
Balance as at April 01, 2020	14	**1,094**
Issued during the period		150
Balance as at April 01, 2021		**1,244**
Issued during the period		-
Balance as at March 31, 2022		**1,244**

B. Other Equity

Particulars	Notes	Attributable to the equity holders of the Parent											Non-controlling interest	Total equity
		Reserves and surplus								Securities premium reserve	Share application money pending allotment	Total attributable to the equity holders of the Parent		
		Capital reserve	Stock option outstanding account	General reserve	Surplus in the statement of profit and loss	Legal reserve	Foreign currency translation reserve	Accumulated other comprehensive income	Total reserves and surplus					
Balance as at April 1, 2020		**15,837**	**-**	**3,343**	**64,086**	**71**	**5,838**	**(587)**	**88,588**	**27,762**	**-**	**116,350**	**(225)**	**116,125**
Dividends		-	-	-	-	-	-	-	-	-	-	-	(130)	(130)
Dividend distribution tax		-	-	-	-	-	-	-	-	-	-	-	-	-
Sale to minority interest		-	-	-	-	-	-	-	-	-	-	-	(51)	(51)
Transfer between reserves		-	-	-	-	-	(16)	-	(16)	-	-	(16)	-	(16)
Share application money received		-	-	-	-	-	-	-	-	-	12,000	12,000	-	12,000
Expenditure incurred on issue of Capital		-	-	-	-	-	-	-	-	(221)	-	(221)	-	(221)
Equity shares allotted		-	-	-	-	-	-	-	-	11,850	(12,000)	(150)	-	(150)
Transactions with owners/ Non-controlling interests		**-**	**-**	**-**	**-**	**-**	**(16)**	**-**	**(16)**	**11,629**	**-**	**11,613**	**(181)**	**11,432**
Profit/(loss) for the year		-	-	-	11,010	-	-	-	11,010	-	-	11,010	(929)	10,081
Other comprehensive income (net of tax)		-	-	-	-	-	714	46	760	-	-	760	(8)	752
Total comprehensive income		**-**	**-**	**-**	**11,010**	**-**	**714**	**46**	**11,770**	**-**	**-**	**11,770**	**(937)**	**10,833**
Balance as at March 31, 2021		**15,837**	**-**	**3,343**	**75,096**	**71**	**6,536**	**(541)**	**100,342**	**39,391**	**-**	**139,733**	**(1,343)**	**138,390**

B. Other Equity (Contd.)

Consolidated statement of Changes in Equity for the year ended March 31, 2022

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	Attributable to the equity holders of the Parent											Non-controlling interest	Total equity
		Reserves and surplus								Securities premium reserve	Share application money pending allotment	Total attributable to the equity holders of the Parent		
		Capital reserve	Stock option outstanding account	General reserve	Surplus in the statement of profit and loss	Legal reserve	Foreign currency translation reserve	Accumulated other comprehensive income	Total reserves and surplus					
Balance as at April 1, 2021		**15,837**	**-**	**3,343**	**75,096**	**71**	**6,536**	**(541)**	**100,342**	**39,391**	**-**	**139,733**	**(1,343)**	**138,390**
Dividends		-	-	-	-	-	-	-	-	-	-	-	24	24
Dividend distribution tax		-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners/ Non-controlling interests		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**24**	**24**
Profit/(loss) for the year		-	-	-	13,191	-	-	-	13,191	-	-	13,191	15	13,206
Other comprehensive income (net of tax)		-	-	-	-	-	(296)	40	(256)	-	-	(256)	(22)	(278)
Total comprehensive income		**-**	**-**	**-**	**13,191**	**-**	**(296)**	**40**	**12,935**	**-**	**-**	**12,935**	**(7)**	**12,928**
Balance as at March 31, 2022		**15,837**	**-**	**3,343**	**88,287**	**71**	**6,240**	**(501)**	**113,277**	**39,391**	**-**	**152,668**	**(1,326)**	**151,342**

Notes 1 to 49 form an integral part of these consolidated financial statements

In terms of our report even date attached

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

V Viswanathan
Partner
(Membership No.: 215565)

May 27, 2022
Chennai

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

Milin Mehta
Director
(DIN:01297508)

Rajiv Mittal
Chairman cum Managing Director & Group CEO
(DIN:01299110)

Skandaprasad Seetharaman
Chief Financial Officer

R Swaminathan
Company Secretary
(Membership No:A17696)

May 27, 2022
Chennai

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

1. Nature of Operations

VA Tech Wabag Limited ('Parent'), and its subsidiaries, its associates and joint venture (collectively referred to as 'Group') is one of the world's leading companies in the water treatment field. The Group's principal activities include design, supply, installation, construction and operational management of drinking water, waste water treatment, industrial water treatment and desalination plants. The shares of the Parent are listed in the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Parent is domiciled in India and its registered office and its principal place of business is 'WABAG HOUSE', No.17, 200 Feet Thoraipakkam - Pallavaram Main Road, Sunnambu Kolathur, Chennai - 600 117.

2. Basis of preparation of Consolidated financial statements

2.1 General information and statement of compliance with Indian Accounting Standards (Ind AS)

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 as notified under section 133 of Companies Act, 2016 (the "Act") and other relevant provisions of the Act.

Effective April 01, 2019 the Group has adopted Ind AS-116 "Leases" using modified retrospective transition method and therefore the comparative information has not been restated. The new standard replaces the existing standards for Leases - Ind AS 17 "Leases".

Effective April 01, 2018 the Group has adopted Ind AS-115 "Revenue from contracts with customers" using modified retrospective transition method. The new standard replaces the existing standards for revenue recognition - Ind AS 18 "Revenue Recognition" and Ind AS 11 "Construction Contracts".

The consolidated financial statements as at and for the year ended March 31, 2022 are approved and authorised for issue by the Board of Directors on May 27, 2022.

The consolidated financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial assets and financial liabilities that have been measured at fair value. These consolidated financial statements are presented in lakhs of Indian Rupees which is also the Parent's functional currency, except per share data and as otherwise stated. Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the figures presented in the current year.

2.2 Recent pronouncements

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

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the Group is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets

The amendment specifies that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Ind AS 109 – Annual Improvements to Ind AS

The amendment clarifies which fees an entity includes when it applies the '10 %' test of Ind AS 109 in assessing whether to derecognise a financial liability.

Ind AS 116 – Annual Improvements to Ind AS

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Group is in the process of evaluating the impact on account of the above pronouncements.

3. Basis of consolidation

The consolidated financial statements include the financial statements of the Parent and all of its subsidiaries, associates and joint venture as listed below. The financial statements of the subsidiaries, associates and joint venture forming part of these consolidated financial statements are drawn up to March 31, 2022. All material inter-company transactions and balances are eliminated on consolidation. The following subsidiaries, associates and joint venture have been included in the consolidated financial statements:

Particulars	Country of incorpo-ration	% of holding/ interest as at	
		March 31, 2022	March 31, 2021
Subsidiaries			
VA Tech Wabag (Singapore) Pte Limited	Singapore	100	100
VA Tech Wabag (Philippines) Inc	Philippines	100	100
VA Tech Wabag Limited Pratibha Industries Limited JV	Nepal	100	100
Wabag Limited	Thailand	90.6	90.6
Wabag Muhibbah JV SDN BHD	Malaysia	70	70
VA Tech Wabag GmbH	Austria	100	100
Wabag Wassertechnik AG	Switzerland	100	100
VA Tech Wabag Deutschland GmbH	Germany	100	100
VA Tech Wabag Brno spol S.R.O	Czech Republic	100	100
Wabag Water Services s.r.l	Romania	100	100
VA Tech Wabag Tunisie s.a.r.l.	Tunisia	100	100
VA Tech Wabag Su Teknolojisi Ve Tic. A S	Turkey	100	100
VA Tech Wabag Muscat LLC	Oman	70	70
Wabag Operation and Maintenance W.L.L.	Bahrain	-	70
VA Tech Wabag and Roots Contracting L.L.C. – Project I	Qatar	60	60
Wabag Belhasa JV WLL	Bahrain	100	100
Va Tech Wabag Brazil Servicos De Agua E Saneamento LTDA	Brazil	-	100
Ganga STP Project Private Limited (1)	India	-	100
DK Sewage Project Private Limited (2)	India	100	100
Ghazaibad Water Solutions Private Limited (3)	India	100	100
Kopri Bio Engineering Private Limited (4)	India	51	51
Associates			
Windhoek Goreangab Operating Company (Pty) Limited	Namibia	33	33
Ganga STP Project Private Limited (1)	India	26	-
VA Tech Wabag and Roots Contracting L.L.C. – Project II	Qatar	49	49
VA Tech Wabag and Roots Contracting L.L.C. – Project III	Qatar	25	25
Joint Venture			
International Water Treatment LLC (5)	Oman	-	32.5

(1) Ganga STP Project Private Limited has been incorporated on April 5, 2019 as a project specific entity

(2) DK Sewage Project Private Limited has been incorporated on September 26, 2019 as a project specific entity

(3) Ghazaibad Water Solutions Private Limited (Formarly known as Digha STP Projects Private Limited) has been incorporated on April 30, 2020 as a project specific entity

(4) Kopri Bio Engineering Private Limited has been incorporated on November 27, 2020 as a project specific entity

(5) International Water Treatment L.L.C ("IWT"), in Muscat, Oman has been liquidated effective April 17, 2022

The Group had entered into a joint venture with Pratibha Industries Limited in Nepal to execute a project. Considering the fact that the Group has control over the governing body and thereby has power over the entity, has rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of its returns, the same has been treated as a subsidiary in the consolidated financial statements.

Pursuant to exclusive contractual arrangements providing for a majority share in the economic interests and control of voting power differently to the shareholders in each of the projects, i.e. Project – I, Project- II and Project-III are being executed under the same legal entity VA Tech Wabag and Roots Contracting LLC. These projects have been treated as separate enterprises with varying controlling interests and accordingly Project-I is consolidated for as a subsidiary and Project-II and Project-III are consolidated for as an associate.

The Group had entered into a joint venture with Belhasa Projects LLC, Dubai to execute a project in Bahrain. Considering the fact that the group has control over the governing body and over the operating and financial decisions of the joint venture entity, Wabag Belhasa JV, the same has been treated as a subsidiary in the consolidated financial statements.

Principles of consolidation

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Ind AS 110 - Consolidated Financial Statements, Ind AS 28 - Accounting for Investments in Associates and Joint Ventures and accounting standards as specified in the Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 .

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses resulting from intra-group transactions are also eliminated except to the extent recoverable value of related assets is lower than their cost to the Group. Profit or loss of subsidiaries acquired or disposed during the year is recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted.

Subsidiaries are all entities over which the Group exercises control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group and are deconsolidated from the date the control ceases.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss and consolidated balance sheet respectively. Non-controlling interests in net profits/losses of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the owners of the Parent. Their share of net assets is identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual/legal obligation on the minorities, the same is accounted for by the Parent, except where there is a contractual/legal obligation on minority interests.

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Interests in joint venture are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint venture are recognised as a reduction in the carrying amount of the investment. After the investor's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the investee. If the investee subsequently reports profits, the investor resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Unrealised gains on transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The carrying amount of equity accounted investments are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired.

Excess of acquisition cost over the carrying amount of the Parent's share of equity of the acquiree at the date of acquisition is recognised as goodwill. In cases where the share of the equity in the acquiree as on the date of acquisition is in excess of acquisition cost, such excess of share in equity is recognised as 'Capital reserve' and classified under 'Reserves and Surplus'. The Parent's share of equity in the subsidiary is determined on the basis of book values of assets and liabilities as per the financial statements of the subsidiary as at the date of acquisition.

The construction cost incurred by the Group as part of the Build-Own-Operate-Transfer (BOOT) contract is considered as exchanged with the grantor against the right to operate and generate revenues from the project and the profit from such contract is considered as realised. Accordingly the BOOT contract awarded to the entities of the Group where work is subcontracted to other entities within the Group, the intra-group transactions on the BOOT contract and the profits arising thereon are taken as realised and not eliminated on consolidation under Ind AS 110.

The amounts shown in respect of reserves comprise the amount of relevant reserves as per the balance sheet of the Parent and its share in the relevant reserves of the subsidiary.

As per Ind AS 110 - Consolidated Financial Statements prescribed under the Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary or the Parent having no bearing on the true and fair view of the consolidated financial statements of the group are not disclosed in the consolidated financial statements.

4. Summary of significant accounting policies

4.1 Overall considerations

The consolidated financial statements have been prepared using the significant accounting policies and measurement basis summarised below. These accounting policies have been used throughout all periods presented in the financial statements.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

4.2 Investments in subsidiaries, associates, joint venture and joint operations

Investments in subsidiaries are being recognised at cost less impairment, if any. Investments in associates and joint venture are accounted for using the equity method of accounting, after initially being recognised at cost less impairment, if any. Investments in joint operations are accounted for using proportionate consolidation method in the consolidated financial statements.

4.3 Foreign currency translation

Financial reporting and presentation currency

The consolidated financial statements are presented in Indian Rupees, which is also the functional currency of the Parent.

Foreign currency transactions and balances

Foreign currency transactions are translated into the respective functional currencies of the entities of the Group, using the exchange rates prevailing at the dates of the transactions, duly approximated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the measurement of monetary items denominated in foreign currency at year-end exchange rates are recognised as other income/ other expenses respectively in statement of profit and loss.

Non-monetary items are not translated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

4.4 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable by the Group for goods supplied and services provided, excluding trade discounts and other applicable taxes. Revenue is recognised upon transfer of control of promised goods or services under a contract.

Revenue is recognised when the amount can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Group, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Group's different activities has been met.

The Group derives revenues from two types of contracts:

a. Construction contracts - Customer contracts towards delivering a water treatment facility that is fit for purpose as per the contract

b. Operation and maintenance contracts - Customer contracts towards operation and maintenance of water treatment facilities

The Group determines its performance obligations included in the contracts signed with customers. Most contracts with customers include a single performance obligation. When a customer contract includes both a construction and operation & maintenance, the performance obligations are separately identified and revenue is recognised in accordance with the principles of Ind AS 115.

a. Construction contracts:

Construction contracts generally involve design, supply, construction, installation and commissioning of water treatment facilities on turnkey basis.

The transaction price is usually a fixed consideration with a variable consideration on a case to case basis. Variable consideration (penalties, damages, claims etc.) is included in the transaction price to the extent it is highly probable that a significant reversal in the amount of revenue recognised will not occur.

Construction contracts usually have a single performance obligation, wherein the control of goods and services are transferred progressively over the period of the contract. The group satisfies its performance obligation upon completing the scope of the construction contract and achieving customer acceptance.

Contract revenue and Contract costs in respect of construction contracts, execution of which is spread over different accounting periods is recognised as revenue and expense respectively by reference to the basis of percentage of completion method of the contract at the reporting date.

The percentage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Only costs that reflect work performed are included in cost incurred to date. Costs incurred representing progress of work done, on the reporting date, pending invoicing by the suppliers, are disclosed under "Unbilled Payables" as part of other current liabilities.

When the Group cannot measure the outcome of a contract reliably, revenue is recognised only to the extent of contract costs that have been incurred and are recoverable. In situations when it is probable that the total contract costs will exceed total contract revenues, the expected loss is recognised immediately in the statement of profit and loss.

The gross amount due from customers for contract work, in excess of the amounts presented as "Trade receivable", are presented as contract assets under "Due from customers for construction contract work" as part of other current assets. Due from customers for construction contract work represents costs incurred plus recognised profits (less recognised losses) in excess of progress billing for all contracts in progress.

The gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses) is presented as contract liabilities under "Billing in advance of work completed" as part of other current liabilities. Prepayments received from customers in advance of performance under the contract are also presented as contract liabilities and represented as "Advances from customers" as part of other current liabilities.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

b. Operation and maintenance contracts:

Operation and maintenance contracts involve operation and maintenance services for water treatment facilities and supply of spares. Revenue from operation and maintenance contracts are recognised as the services are provided and invoiced to the customer, as per the terms of the contract.

The amount due from customers for operation and maintenance contracts are presented as "Trade receivable". Prepayments received from customers in advance of performance under the contract are presented as contract liabilities and represented as "Advances from customers" as part of other current liabilities.

Service Concession Arrangements

Service Concession Arrangements ('SCA') refers to an arrangement between the grantor (a public sector entity) and the operator (a private sector entity), typically involving the operator constructing the infrastructure used to provide the public service or upgrading it and operating and maintaining that infrastructure for a specified period of time. The operator is paid for its services over the period of the arrangement.

Revenue and costs of an SCA are allocated between the respective performance obligations, relating to construction services and operation and maintenance services, and accounted for separately. The infrastructure used in a concession is recognised as an intangible asset or a financial asset, based on the nature of the payment entitlements under the SCA.

When the operator has an unconditional right to receive cash or another financial asset from or at the direction of the grantor, such right is recognised as a financial asset and is subsequently measured at amortised cost. When the operator receives a right to charge users of the public service, such right is recognised an intangible asset and amortised over the period of the SCA.

Interest, dividends, duty drawback and other entitlements

Income from interest is recognised using effective interest method taking into account the amount outstanding and the applicable rate of interest.

Dividend income is recognised when the right to receive is established as at the reporting date.

Income from duty drawback and export benefit under duty free credit entitlements is recognised in the statement of profit and loss, when the right to receive license as per terms of the scheme is established in respect of exports made and there is no significant uncertainty regarding the ultimate collection of the export proceeds, as applicable.

4.5 Cost of sales and services

Cost of sales and services comprise costs including estimated costs that are directly related to the contract, attributable to the contract activity in general and such costs that can be allocated to the contract and specifically chargeable to the customer under the terms of the contracts, which is charged to the statement of profit and loss.

4.6 Property, plant and equipment

Land

Land (other than investment property) held for use in production or administration is stated at cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings and other equipment

Buildings and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers, vehicles and right to use assets) are initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management. Buildings and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses. Right to use assets are recognised as per Ind AS-116. Refer note 4.9 for details of recognition and measurement.

Advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work-in-progress.

Subsequent expenditure incurred on an item of property, plant and equipment is added to the book value of that

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation on assets is provided on straight line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except for vehicles where the management believes that the useful life of 5 years would best represent the period over which the management expects to use these assets and the residual value is 20% of the acquisition cost which is considered to be the amount recoverable at the end of the asset's useful life. Hence the useful life of these assets is different from that prescribed under Part C of Schedule II to the Companies Act, 2013.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised in the statement of profit and loss within other income or other expenses.

The components of assets are capitalised only if the life of the components vary significantly and whose cost is significant in relation to the cost of respective asset. The life of components in assets are determined based on technical assessment and past history of replacement of such components in the assets.

4.7 Intangible assets

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

Software is stated at cost less accumulated amortisation and are being amortised on a straight line basis over the estimated useful life of 5 years.

Amortisation has been included within depreciation and amortisation expense.

Gains or losses that arise on disposal or retirement of an intangible asset are measured as the difference between net disposal proceeds and the carrying value of an intangible asset and are recognised in profit and loss when the intangible asset is derecognised.

The amortisation period and method are reviewed at each balance sheet date. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment as detailed in note 4.8.

4.8 Impairment testing of property, plant and equipment and intangible assets

For the purpose of impairment assessment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill (if any) is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

4.9 Leases

The group recognises lease contracts as per the single lease accounting model for lessee's. The model requires a lessee to recognise right-of-use assets and

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

corresponding lease liabilities for all leases with a lease term of more than 12 months, unless the underlying asset is of a low value. For such leases the lease payments are recognised as an operating expense on a straight line basis over the term of the lease contract.

The recognition, measurement, presentation and disclosure of leases are in accordance with the principles of the standard. At the time of initial measurement, the lease liabilities are recognised at the present value of lease payments payable. The lease liability is discounted at the interest rate implicit to the lease, or incremental borrowing rate to arrive at the present value. The lease liabilities are diluted over the remaining lease period by lease payments. The right-of-use assets are initially recognised at lease liability amount. The right-of-use assets are thereafter depreciated over the period of lease term or the useful life of underlying asset whichever is lower. An impairment loss is recognised where the carrying amount of right-of-use asset exceeds its recoverable amount.

The Group determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis.

4.10 Financial instruments

Financial assets (other than trade receivables) and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit and loss which are measured initially at fair value. Trade receivables are recognised at their transaction price as the same do not contain significant financing component. Subsequent measurement of financial assets and financial liabilities are described below.

a) Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

a. Amortised cost

b. Fair Value Through Other Comprehensive Income (FVTOCI) or

c. Fair Value Through Profit and Loss (FVTPL)

All financial assets are reviewed for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets are impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

b) Financial assets at amortised Cost

A financial asset is subsequently measured at amortised cost using effective interest rate if it is held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

c) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Group, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These elections are made on an instrument-by-instrument (i.e., share-by-share) basis. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value

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changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognised in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognised in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

d) Financial assets at Fair Value Through Profit and Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortised cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognised in profit and loss.

Hedge accounting

To qualify for hedge accounting, the hedging relationship must meet several strict conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness.

These arrangements have been entered into to mitigate currency exchange risk arising from certain legally binding sales and purchase orders denominated in foreign currency. For the reporting periods under review, the Group has not designated any forward currency contracts as hedging instruments.

Trade receivables

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

e) Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated balance sheet) when:

i. The rights to receive cash flows from the asset have expired, or

ii. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered

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into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

f) Classification, subsequent measurement and derecognition of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortised cost. The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Subsequent measurement

Financial liabilities are measured subsequently at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

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.

4.11 Inventories

Inventory of stores and spares are stated at lower of cost and net realisable value and is determined on weighted average cost method. Cost of inventories include all other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less estimated cost to completion and applicable selling expenses.

Contract inventories are contract costs incurred for a future activity on a contract and are recognised as an asset if it is probable that they would be recovered. The cost comprises of material and other expenses directly attributable to the contract.

4.12 Income taxes

Tax expense recognised in the statement of profit and loss comprises the sum of deferred tax and current tax not recognised in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognised in other comprehensive income are also disclosed under the same head.

Deferred tax assets are recognised to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilised against future taxable income. This is assessed based on the respective entity's forecast of future opening results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax liabilities are generally recognised in full, although Ind AS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Group does not recognise deferred tax liability on temporary differences relating to goodwill, or to its investments in subsidiaries.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in the statement of profit and loss, except where they relate to items that are recognised in other comprehensive income (such as the re-measurement of defined benefit plans) or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity, respectively.

4.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.14 Equity, reserves and dividend payments

Share capital represents the nominal (par) value of shares that have been issued and paid-up.

Other components of equity include the following:

i. Accumulated other comprehensive income which includes re-measurement of net defined benefit liabilities.

ii. General reserve represents the accumulated surplus transferred from the statement of profit and loss.

iii. Securities premium reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from securities premium, net of any related income tax benefits.

iv. Surplus in the statement of profit and loss includes all current and previous period retained profits.

v. Stock option outstanding account includes the value of equity-settled share based payment transactions with employees.

vi. All transactions with owners of the parent and non-controlling interests are recorded separately within equity.

4.15 Post-employment benefits and short-term employee benefits

Parent

Defined contribution plan

a. Contribution to Provident Fund in India and other defined contribution plans in the other entities of the Group are in the nature of defined contribution plan and are made to a recognised fund.

b. Contribution to Superannuation Fund is in the nature of defined contribution plan and is remitted to insurance company in accordance with the scheme framed by the Corporation.

The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions, which are recognised as an expense in the period that related employee services are received.

i. Provident fund

The Parent makes contribution to the statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952, which is a defined contribution plan, and contribution paid or payable is recognised as an expense in the period in which it falls due.

ii. Other funds

The Group's contribution towards defined contribution plan is accrued in compliance with the requirement of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are done. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

iii. Superannuation fund

Contribution made towards Superannuation Fund (funded by payments to an insurance company) which is a defined contribution plan, is charged as expenses on accrual basis. There are no obligations other than the contribution made to respective fund.

Defined benefit plan

Under the Group's defined benefit plans, the amount of benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The defined benefit funds maintained by the Group are as below:

i. Gratuity

The liability recognised in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. The Group estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related gratuity liability.

Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income.

The plan assets represents qualifying insurance policies that are administered by an Insurance company.

ii. Leave salary - compensated absences

The Group also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on actuarial valuation basis.

Overseas entities

Defined contribution

The Group's contribution towards defined contribution plan is accrued in compliance with the requirement of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are done. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Defined benefit liability

The Group estimates the defined benefit liability annually. The actual outcome may vary due to estimation uncertainties. The estimate of its defined benefit liability is based on standard rates of inflation, medical cost trends and mortality. It also takes into account the Group's specific anticipation of future salary increases. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Estimation uncertainties exist particularly with regard to medical cost trends, which may vary significantly in future appraisals of the Group's defined benefit obligations.

4.16 Employees stock option plan

Share-based compensation benefits are provided to employees via "Employees Stock Option Scheme 2010" of the Parent.

The fair value of options granted under the "Employees Stock Option Scheme" is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

a) including any market performance conditions (e.g., the entity's share price).

b) excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining

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an employee of the entity over a specified time period), and

c) including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period of time).

4.17 Provisions, contingent assets and contingent liabilities

Provisions for warranties, legal disputes, or other claims are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognised as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognised if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities if the outflow of resources is remote.

The Group does not recognise contingent assets unless the realisation of the income is virtually certain, however these are assessed continually to ensure that the developments are appropriately disclosed in the consolidated financial statements.

4.18 Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to owners of the parent by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to the owners of the parent and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4.19 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and overdraft accounts and other short- term highly liquid investments with original maturities of 3 months or less, as applicable.

4.20 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

4.21 Segment reporting

a. Identification of segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Group is engaged in the construction and maintenance of water treatment plants across geographies. The entities in the Group are organised and managed separately according to their respective geographical location. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

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(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

b. Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

c. Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

4.22 Significant management judgment in applying accounting policies and estimation uncertainty

When preparing the consolidated financial statements, management makes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

(i) Significant management judgments

The following are significant management judgments in applying the accounting policies of the Group that have the most significant effect on the consolidated financial statements.

Recognition of service and construction contract revenues

Determining when to recognise revenues from operation and maintenance of water treatment plants services requires an understanding of both the nature and timing of the services provided and the customers' pattern of consumption of those services, based on historical experience and knowledge of the market.

Recognising construction contract revenue also requires significant judgement in determining actual work performed and the estimated costs to complete the work (refer note 34).

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilised. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

(ii) Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash- generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Inventories

The Group estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Defined benefit obligation (DBO)

Group's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (as analysed in Note 20(e)).

Useful lives of depreciable assets

Group reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Fair value measurement

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:

i. In the principal market for the asset or liability, or

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

The Group uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets.

This involves developing estimates and assumptions consistent with how market participants would price the instrument. The Group bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (Refer note 40).

Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

4.23 Transfer pricing

As per the transfer pricing norms introduced in India with effect from April 01, 2001, the Group is required to use certain specific methods in computing arm's length price of international transactions between the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The transfer pricing study for the fiscal year ended March 31, 2022 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Group management, the outcome of the study will not have material impact on the Group's results.

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5. Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment										Intangible assets		
	Freehold land[1]	Buildings[1]	Plant and machinery	Furniture and fittings	Electrical equipment	Office equipment	Computers	Vehicles	Right to use asset[2]	Total	Computer software	Project concessionaire rights	Total
Gross carrying value													
Balance as at April 1, 2020	**1,698**	**4,037**	**755**	**2,358**	**566**	**1,193**	**1,035**	**1,067**	**696**	**13,405**	**1,509**	**-**	**1,509**
Additions	-	-	-	2	-	28	102	24	1,030	1,186	80	-	80
Disposals	-	-	3	28	-	4	81	199	83	398	-	-	-
Effects of foreign currency translation		1	4	11	-	11	7	(21)	12	25	48	-	48
Balance as at March 31, 2021	**1,698**	**4,038**	**756**	**2,343**	**566**	**1,228**	**1,063**	**871**	**1,655**	**14,218**	**1,637**	**-**	**1,637**
Balance as at April 1, 2021	**1,698**	**4,038**	**756**	**2,343**	**566**	**1,228**	**1,063**	**871**	**1,655**	**14,218**	**1,637**	**-**	**1,637**
Additions	-	-	-	-	-	27	175	128	155	485	105	-	105
Disposals	-	-	56	55	-	60	428	313	58	970	151	-	151
Effects of foreign currency translation	-	-	1	(13)	(1)	12	(29)	(50)	(25)	(105)	10	-	10
Balance as at March 31, 2022	**1,698**	**4,038**	**701**	**2,275**	**565**	**1,207**	**781**	**636**	**1,727**	**13,628**	**1,601**	**-**	**1,601**
Accumulated depreciation/amortization													
Balance as at April 1, 2020	-	331	238	1,387	336	790	935	570	431	5,018	1,262	-	1,262
Depreciation/amortization expense for the year	-	68	90	265	59	54	82	159	365	1,142	67	-	67
Reversal on disposal of assets	-	-	-	13	-	1	74	99	81	268	-	-	-
Effects of foreign currency translation	-	-	(2)	17	(1)	(1)	(27)	(16)	(8)	(38)	41	-	41
Balance as at March 31, 2021	**-**	**399**	**326**	**1,656**	**394**	**842**	**916**	**614**	**707**	**5,854**	**1,370**	**-**	**1,370**
Balance as at April 1, 2021	**-**	**399**	**326**	**1,656**	**394**	**842**	**916**	**614**	**707**	**5,854**	**1,370**	**-**	**1,370**
Depreciation/amortization expense for the year	-	68	47	247	57	38	84	135	256	932	81	-	81
Reversal on disposal of assets	-	-	55	39	-	53	305	237	58	747	197	-	197
Effects of foreign currency translation	-	-	15	(17)	(3)	11	(31)	(14)	(35)	(74)	15	-	15
Balance as at March 31, 2022	**-**	**467**	**333**	**1,847**	**448**	**838**	**664**	**498**	**870**	**5,965**	**1,269**	**-**	**1,269**
Net carrying value													
Balance as at March 31, 2021	**1,698**	**3,639**	**430**	**687**	**172**	**386**	**147**	**257**	**948**	**8,364**	**267**	**-**	**267**
Balance as at March 31, 2022	**1,698**	**3,571**	**368**	**428**	**117**	**369**	**117**	**138**	**857**	**7,663**	**332**	**-**	**332**

[1] Refer note 16 for details of exclusive charge on Freehold Land and Buildings of the parent against its borrowings.

[2] Refer note 34(C) for details of category of assets of right to use assets.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

6. Investments

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Investments carried at cost		
Investments accounted for using the equity method		
Windhoek Goreangab Operating Company (Pty) Limited, Namibia	386	352
(33 (Previous year: 33) equity shares of Namibian Dollar 1 each)		
VA Tech Wabag and Roots Contracting L.L.C, Qatar- Project-II and Project-III (1)	1,097	1,630
(98 (Previous year : 98) equity of Qatari Rial 1,000 each)		
Ganga STP Project Private Limited	1,860	-
(50,999 equity shares of INR 10 each)		
(96,99,000 compulsory convertible preference shares of INR 10 each)		
(85,15,000 9% non convertible debentures of INR 10 each)		
International Water Treatment LLC, Oman(2)	-	69
(Nil (Previous year : 48,750) equity shares of OMR 1 each)		
Less: Provision for impairment of investment in International Water Treatment LLC, Oman	-	(69)
	3,343	**1,982**
Investments carried at fair value through profit and loss		
Investments in equity instruments of other companies (fully paid-up)		
First STP Private Limited	15	15
(150,000 (Previous year :150,000) equity shares of INR 10 each)		
Konark Water Infraprojects Private Limited	1	1
(5,000 (Previous year : 5,000) equity shares of INR 10 each)		
Aurangabad City Water Utility Company Limited	1	1
(5,000 (Previous year : 5,000) equity shares of INR 10 each)		
Thoothukudi Renew Waters Private Limited (3)	-	-
(2,600 (Previous year : 2,600) equity shares of INR 10 each)		
Ganapati Marine Enterprises Private Limited (4)	-	-
(419 (Previous Year: 419) equity shares of INR 10 each)		
Ujams Wastewater Treatment Company (Pty) Limited	397	436
(84 (Previous Year: 84) equity shares of NAD 1 each)		
	414	**453**
Total non-current investments	**3,757**	**2,435**
Aggregate amount of unquoted investments	3,757	2,504
Aggregate amount of impairment in the value of investments	-	(69)
Extent of investment in those accounted for using the equity method(5)		
Windhoek Goreangab Operating Company (Pty) Limited, Namibia	33.0%	33.0%
VA Tech Wabag and Roots Contracting L.L.C, Qatar- Project-II (1)	49.0%	49.0%
VA Tech Wabag and Roots Contracting L.L.C, Qatar- Project-III (1)	25.0%	25.0%
International Water Treatment L.L.C, Oman(2)	-	32.5%
Ganga STP Project Private Limited	26.0%	-

(1) Pursuant to an exclusive contractual arrangement providing for a majority share in the economic interests and control of voting power in the Project-I of VA Tech Wabag and Roots Contracting L.L.C, Qatar, the investment was classified as a subsidiary at inception. During the year ended March 31, 2016 and March 31, 2020 for Project-II and Project-III respectively, a similar arrangement providing for majority rights in the new projects to the partner was agreed and hence the investment in the legal entity has been accordingly reclassified as an associate based on economic interests in the projects respectively as against the ownership in the entity.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(2) International Water Treatment L.L.C ("IWT"), Oman, was established as a Special Purpose Vehicle for carrying out Engineering, Procurement and Construction Contract for Water Desalination Project in Muscat, Oman has been liquidated effective April 17, 2022, post completion of the project and all contractual and other formalities.

(3) Since the amount of investment is INR 26,000 (March 31, 2021 : INR 26,000), the same is below the rounding off norm adopted by the Group.

(4) Since the amount of investment is INR 4,190 (March 31, 2021 : INR 4,190), the same is below the rounding off norm adopted by the Group.

(5) Also refer note 44- Interest in other entities.

7. Trade receivables (Unsecured considered good, unless stated otherwise)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
Trade receivables	2,500	121,870	2,500	119,348
Customer retention	72,059	10,683	52,259	15,613
	74,559	**132,553**	**54,759**	**134,961**
Credit impaired				
- Trade receivables and customer retention	-	12,144	-	18,469
Less : Allowances for expected credit loss				
- Trade receivables and customer retention	-	(12,144)	-	(18,469)
	-	-	-	-
	74,559	**132,553**	**54,759**	**134,961**

Ageing for trade receivables - billed – non current outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables-considered good	56,456	-	-	-	-	-	56,456
ii) Undisputed Trade receivables-Which has significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables-Credit Impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables considered good	18,103	-	-	-	-	-	18,103
v) Disputed Trade receivables-Which has significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables-Credit Impaired	-	-	-	-	-	-	-
Total	**74,559**	**-**	**-**	**-**	**-**	**-**	**74,559**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Ageing for trade receivables - billed – non current outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables-considered good	36,656	-	-	-	-	-	36,656
ii) Undisputed Trade receivables-Which has significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables-Credit Impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables considered good	18,103	-	-	-	-	-	18,103
v) Disputed Trade receivables-Which has significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables-Credit Impaired	-	-	-	-	-	-	-
Total	**54,759**	**-**	**-**	**-**	**-**	**-**	**54,759**

Ageing for trade receivables - billed – current outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables-considered good	35,656	51,130	14,455	4,761	1,789	2,560	110,351
ii) Undisputed Trade receivables-Which has significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables-Credit Impaired	-	-	850	939	377	6,422	8,588
iv) Disputed Trade receivables considered good	2,240	6,907	198	1,046	3,380	8,431	22,201
v) Disputed Trade receivables-Which has significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables-Credit Impaired	-	485	9	241	351	2,470	3,556
Total	**37,896**	**58,522**	**15,512**	**6,988**	**5,896**	**19,884**	**144,697**
Less: Allowance for expected credit loss							(12,144)
Trade Receivables - Current							**132,553**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Ageing for trade receivables - billed – current outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
i) Undisputed Trade receivables-considered good	46,507	43,832	8,735	2,352	2,266	2,980	106,672
ii) Undisputed Trade receivables-Which has significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables-Credit Impaired	-	-	638	191	442	1,626	2,897
iv) Disputed Trade receivables considered good	113	7,571	1,072	11,637	7,567	329	28,289
v) Disputed Trade receivables-Which has significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables-Credit Impaired	132	-	2,733	1,013	1,463	10,231	15,572
Total	**46,752**	**51,403**	**13,178**	**15,193**	**11,738**	**15,166**	**153,430**
Less: Allowance for expected credit loss							(18,469)
Trade Receivables - Current							**134,961**

The carrying amount of the current trade receivables and customer retention is considered a reasonable approximation of fair value as it is expected to be collected within twelve months, such that the effect of any difference between the effective interest rate applied and the estimated current market rate is not significant.

Trade Receivables include dues from related parties amounting to INR 181 Lakhs (March 31, 2021: INR 456 Lakhs). There are no receivables due from directors or other officers.

All of the Group's trade receivables and customer retentions have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of (INR 6,325) Lakhs (Year ended March 31, 2021 : INR 1,793 Lakhs) has been (utilised)/created respectively within other expenses. The Group has impaired its trade receivables using a provisioning matrix and specific provisioning, where appropriate, representing expected credit losses based on a range of outcomes.

Movements in allowances for expected credit loss	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	**18,469**	**16,676**
Additions/(reversal) during the year, net	262	8,478
Utilised during the year, net	(6,587)	(6,685)
Balance at the end of the year	**12,144**	**18,469**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

8. Other financial assets (Unsecured, considered good)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
Security deposits	4,103	1,825	3,984	1,849
Bank balances	946	-	2,185	-
Tender deposits	-	985	-	61
Rental deposits	42	306	111	257
Advances to employees	19	496	30	646
Dues from customers for construction contract works under Service Concession Arrangements	-	-	-	4,101
Other financial assets	-	323	-	1,018
	5,110	**3,935**	**6,310**	**7,932**

There are no financial assets due from directors or other officers. The carrying amount of the current financial assets are considered as a reasonable approximation of fair value.

Refer Note 40 for description of Group's financial instrument risks, including risk management objectives and policies.

Non-current bank balances represents interest bearing deposits with bank with more than 12 months maturity and held as margin money or security against the borrowings, guarantees and other commitments.

9. Deferred taxes (net)

Particulars		As at March 31, 2022	As at March 31, 2021
The breakup of deferred taxes is as follows:			
Deferred tax asset arising on account of :			
- Provision for employee benefits, liquidated damages and foreseeable losses		290	237
- Allowances for expected credit loss		2,749	2,335
- Others		5,905	2,326
Total deferred tax asset	**A**	**8,945**	**4,898**
Less: Deferred tax liability arising on account of :			
- Timing difference between carrying value of Property, plant and equipment/ Intangible assets as per books and tax laws		429	442
- Others		5,200	1,894
Total deferred tax liability	**B**	**5,629**	**2,336**
Foreign exchange fluctuation	**C**	**25**	**28**
	(A-B-C)	**3,290**	**2,534**
Disclosed as			
Deferred tax assets		3,617	2,947
Deferred tax liabilities		327	413

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Deferred tax recognised in statement of profit and loss and in other comprehensive income for the year ended March 31, 2022:

Particulars	Recognised in other comprehensive income	Recognised in statement of profit and loss
Deferred tax asset arising on account of :		
- Provision for employee benefits, liquidated damages and foreseeable losses	-	(53)
- Allowances for expected credit loss	-	(414)
- Others	-	(3,580)
Deferred tax liability arising on account of :		
- Timing difference between carrying value of Property, plant and equipment/ Intangible assets as per books and tax laws	-	(13)
- Others	-	3,305
Foreign exchange fluctuation	-	25
Total	**-**	**(730)**

Deferred tax recognised in statement of profit and loss and in other comprehensive income for the year ended March 31, 2021:

Particulars	Recognised in other comprehensive income	Recognised in statement of profit and loss
Deferred tax asset arising on account of :		
- Provision for employee benefits, liquidated damages and foreseeable losses	-	83
- Allowances for expected credit loss	-	(278)
- Others	-	(618)
Deferred tax liability arising on account of :		
- Timing difference between carrying value of Property, plant and equipment/ Intangible assets as per books and tax laws	-	65
- Others	-	468
Foreign exchange fluctuation	-	28
Total	**-**	**(252)**

In assessing the recoverability of deferred tax assets, group management considers whether it is more likely than not that some portion or all of the deferred income tax assets will be realised. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

The Group carries unused tax losses amounting to Nil (March 31, 2021: INR 309 Lakhs) on which deferred tax assets have not been recognised as at March 31, 2022.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

10. Income tax assets (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Income tax assets net of provision for tax	8,563	10,347
	8,563	**10,347**

11. Other assets (Unsecured, considered good)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
Dues from customers for construction contract works *	-	74,694	203	106,782
Advances to supplier	-	19,604	-	21,153
Balances with government authorities	34	16,750	-	15,803
Duty drawback and other duty free credit entitlement receivable	-	173	-	179
Prepaid expenses	13	2,495	11	3,085
Other assets	211	117	-	477
	258	**113,833**	**214**	**147,479**

* Includes allowance for expected credit loss amounting to INR 6,615 Lakhs (March 31, 2021: INR 3,550 Lakhs)

There are no advances due from directors or other officers of the company.

12. Inventories

Particulars	As at March 31, 2022	As at March 31, 2021
Contract inventories	992	863
Stores and spares	2,203	2,113
	3,195	**2,976**

13. Cash and bank balances

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents		
Cash on hand	142	91
Cheques on hand	5,149	3,055
Balances with banks		
- in current accounts * #	19,480	16,694
- in deposit account (with original maturity upto 3 months) #	7,330	10,537
(A)	**32,101**	**30,377**
Bank balances other than those mentioned in cash and cash equivalents		
Unpaid dividend account	6	9
Deposits with maturity less than 3 months #	1,246	758
Deposits with maturity more than 3 months but less than 12 months #	6,902	3,645
Balances with bank held as margin money #	2,604	2,342
(B)	**10,758**	**6,754**
(A+B)	**42,859**	**37,131**

* Restricted bank balances: Balances with banks include INR 1,680 Lakhs (March 31, 2021: INR 1,794 Lakhs) held in a foreign country which are not freely remissible because of exchange/ contractual restrictions.

Deposits includes a sum of INR 13,242 Lakhs (March 31, 2021: INR 6,805 Lakhs) held as margin money / in escrow account or security against the borrowings, guarantees and other commitments.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

14. Equity share capital

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Authorised				
Equity shares of INR 2 each	75,000,000	1,500	75,000,000	1,500
Issued, subscribed and fully paid up				
Equity shares of INR 2 each	62,190,428	1,244	62,190,428	1,244
	62,190,428	**1,244**	**62,190,428**	**1,244**

a) Reconciliation of share capital (Equity)

Particulars	As at March 31, 2022		As at March 31, 2021	
	Number	Amount	Number	Amount
Balance at the beginning of the year	**62,190,428**	**1,244**	**54,690,428**	**1,094**
Add : Changes in Equity Share Capital during the year	-	-	7,500,000	150
Balance at the end of the year	**62,190,428**	**1,244**	**62,190,428**	**1,244**

b) Shareholders holding more than 5% of the aggregate shares in the Parent

	As at March 31, 2022		As at March 31, 2021	
	Number	% holding	Number	% holding
Equity shares of INR 2 each				
Mr. Rajiv Mittal	9,709,406	15.6%	9,709,406	15.6%
Ms. Rekha Rakesh Jhunjhunwala	5,000,000	8.0%	5,000,000	8.0%
	14,709,406	**23.6%**	**14,709,406**	**23.6%**

c) Shares held by promoters of the company

	As at March 31, 2022		As at March 31, 2021	
	Number	% holding	Number	% holding
Mr. Rajiv Mittal	9,709,406	15.6%	9,709,406	15.6%
Mr. S Varadarajan	2,185,762	3.5%	2,185,762	3.5%
Mr. Shiv Narayan Saraf	1,600,354	2.6%	1,600,354	2.6%
	13,495,522	**21.7%**	**13,495,522**	**21.7%**

d) Terms/right attached to equity shares

The Parent has issued only one class of equity shares having a face value of INR 2 per share. Each holder of equity shares is entitled to one vote per share. The Parent declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which can be approved by the Board of Directors.

In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Parent, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Shares reserved for issue under options

There are no options reserved for issuance of equity shares as at March 31, 2022 and March 31, 2021.

f) Buy back of shares

There were no buy back of shares and shares issued pursuant to contract without payment being received in cash during the last 5 years immediately preceding March 31, 2022.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

15. Capital management

The Group' s capital management objectives are:

- to safeguard the Group's ability to continue as a going concern, and continue to provide optimum returns to the shareholders and all other stakeholders by building a strong capital base
- to maintain an optimum capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders including non-controlling interests and borrowings, less cash and bank balances.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The amounts managed as capital by the Group for the reporting periods under audit are summarised as follows:

Particulars		As at March 31, 2022	As at March 31, 2021
Borrowings		42,849	34,952
Less : Cash and bank balances		(43,805)	(39,316)
Net Debt / (Cash)	**(A)**	**(956)**	**(4,364)**
Total equity	**(B)**	**152,586**	**139,634**
Total equity and net debt	**(C=A+B)**	**151,630**	**135,270**
Gearing ratio	**(A/C)**	**(0.6%)**	**(3.2%)**

16. Borrowings

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
Secured				
Term loans from banks	9,360	-	10,551	-
Current maturities of long term borrowings	-	6,225	-	4,430
Working capital loan repayable on demand	-	17,228	2,651	8,269
Overdraft account/Packing credit/Cash credit	-	10,036	-	9,051
Total	**9,360**	**33,489**	**13,202**	**21,750**

The carrying amount of borrowings is considered to be a reasonable approximation of fair value.

Terms, guarantee and repayment details of borrowings

(i) The Parent has obtained Term loan from bank which is secured by First pari-pasu charge on the entire current assets of the Parent along with other consortium member banks and exclusive charge on the land and buildings of the Parent. The same has been obtained at an interest rate of 11.90% per annum and balance outstanding is repayable in 5 monthly instalments.

(ii) The Parent has availed working capital term loan from various banks at an interest rate of 7.75% to 8.80% (March 31, 2021 : 7.75% to 8.80%) per annum, which is secured by second pari-pasu charge on the entire current assets of the Parent, repayable in 48 monthly instalments from the end of moratorium period of 12 months.

(iii) The Parent has availed project term loan from bank at an interest of 4.10% per annum (March 31, 2021 : 3.21%) which is secured by pari-passu charge over present and future current assets of the Parent, repayable within 2 years from disbursement (Balance outstanding is repayable within 6 months from the end of financial year).

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(iv) The Parent has availed working capital facilities at an interest rate of 6.25% to 9.75% (March 31, 2021: 8.20% to 11.00%) per annum, and is repayable within 180 days from the date of availment and are secured against receivables of the Parent.

(v) VA Tech Wabag Tunisie s.a.r.l. has availed working capital facilities secured by receivables, repayable on demand. VA Tech Wabag (Philippines) Inc. has availed secured term loans at an interest of 6.00% to 9.00% per annum with scheduled repayements, payable by September 2023.

(vi) The Parent has availed packing credit facilities in Indian rupees and US dollars at an interest rate of 7.50% to 11.00% (March 31, 2021: 7.00% to 11.00%) per annum and 2.15% to 2.65% (March 31, 2021: 2.25% to 4.82%) per annum respectively. These packing credits are repayable within 180 days, as applicable, from the date of availment and are secured against foreign currency receivables of the Parent.

(vii) The Parent has availed secured cash credit facilities from banks at an interest rate of 7.90% to 9.85% (March 31, 2021: 7.90% to 10.50%) per annum.

(viii) VA Tech Wabag Singapore Pte Limited had obtained working capital facilities which are secured by trade receivables and these were repayable within 90 days.

(ix) VA Tech Wabag Brno spol S.R.O had obtained overdraft facilities which are secured by trade receivables and these were repayable within 90 days.

17. Trade payables

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
Dues to micro and small enterprises (Also refer note (a) below)	-	1,294	-	2,268
Dues to others	15,509	97,240	13,171	105,503
Total	**15,509**	**98,534**	**13,171**	**107,771**

Ageing for trade payables - billed – non current outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More more than 3 Years	Total
MSME	-	-	-	-	-	-
Others	15,382	-	-	-	-	15,382
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	127	-	-	-	-	127
Total	**15,509**	**-**	**-**	**-**	**-**	**15,509**

Ageing for trade payables - billed – non current outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More more than 3 Years	Total
MSME	-	-	-	-	-	-
Others	13,171	-	-	-	-	13,171
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**13,171**	**-**	**-**	**-**	**-**	**13,171**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Ageing for trade payables - billed – current outstanding as at March 31, 2022 is as follows:

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More more than 3 Years	Total
MSME	573	637	58	18	8	1,294
Others	42,212	37,978	9,976	1,348	5,230	96,744
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	101	1	40	205	149	496
Total	**42,886**	**38,616**	**10,074**	**1,571**	**5,386**	**98,534**

Ageing for trade payables - billed – current outstanding as at March 31, 2021 is as follows:

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More more than 3 Years	Total
MSME	1,272	874	45	18	58	2,268
Others	41,785	43,601	8,589	5,777	5,480	105,232
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	48	51	19	154	271
Total	**43,057**	**44,523**	**8,685**	**5,814**	**5,692**	**107,771**

(a) For details of disclosures pursuant to Section 22 of Micro, Small and Medium Enterprises Development Act (MSMED), 2006 refer note 16(a) of standalone financial statements.

(b) Unclaimed credit balances amounting to INR 1,437 Lakhs (March 31, 2021: INR 948 Lakhs) have been reversed from trade payables.

18. Other financial liabilities

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
Employee related payables	111	2,726	141	2,466
Unpaid dividends	-	6	-	8
Other liabilities	-	403	-	934
	111	**3,135**	**141**	**3,408**

19. Provisions

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
Provision for warranty	-	5,262	-	3,220
Provision for liquidated damages	-	-	-	-
Provision for litigations	-	-	-	34
Provision for foreseeable losses on contracts	-	22	-	120
Provision for employee benefits				
Gratuity, anniversary, severance payments and others	837	920	854	820
Compensated absences	426	697	495	671
	1,263	**6,901**	**1,349**	**4,865**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

a) Provision for warranty

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	3,220	2,389
Created/(Reversed) during the year, net	1,691	(81)
Utilised during the year	375	807
Foreign exchange fluctuation	(23)	105
Balance at the end of the year	**5,262**	**3,220**

b) Provision for liquidated damages

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	-	-
Created during the year, net	756	312
Utilised during the year	(756)	(312)
Foreign exchange fluctuation	-	-
Balance at the end of the year	**-**	**-**

The Group provides for liquidated damages when it reasonably expects that a delay in the completion of the project or a shortfall in the performance parameters might give rise to a claim from the customer. In the event of failure to complete a project as scheduled, or in case of a performance shortfall, the Group may generally be held liable for penalties in the form of agreed liquidated damages. Liquidated damages are generally measured and recognised in accordance with the terms of the contracts with customers.

c) Provision for litigations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	34	33
Created during the year, net	-	-
Utilised during the year	(34)	-
Foreign exchange fluctuation	-	1
Balance at the end of the year	**-**	**34**

The Group provides for litigation, which is predominantly on account of disputes on statutory dues. The Group assesses each demand raised by the statutory authorities and based on responses and discussions with the attorneys and when there is a present obligation as a result of a past event, where the outflow of economic resources is probable and a reliable estimate of the amount of obligation, a provision for litigation is created. Instances when there is no present obligation or where the present obligation would probably not require outflow of resources or where the same cannot be reliably estimated, the same is disclosed as contingent liability in the financial statements. The Group derecognises its provisions on receipt of a favourable order from the appropriate authority and when no further obligation is envisaged.

d) Provision for foreseeable losses on contracts

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Balance at the beginning of the year	120	17
(Reversed)/Created during the year, net	(90)	105
Utilised during the year	(8)	-
Foreign exchange fluctuation	-	(2)
Balance at the end of the year	**22**	**120**

The Group provides for foreseeable losses on contracts when it is probable that total contract cost, including expected cost to complete, will exceed the economic benefits expected to be received under it.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

e) Provision for employee benefits

The following tables summarise the components of all defined benefit plans for the year ended March 31, 2022 :

For the year ended March 31, 2022	Gratuity	Anniversary	Severance payments
Change in defined benefit obligation			
Defined benefit obligation at the beginning of the year	**872**	**79**	**704**
Current Service cost	95	3	6
Past Service cost	-	-	-
Interest cost	49	0	2
Actuarial (gain)/losses	(40)	(3)	(14)
Benefits paid	(97)	(18)	-
Foreign exchange fluctuation	-	(1)	(16)
Defined benefit obligation at the end of the year	**879**	**60**	**683**
Thereof			
Unfunded	56	60	683
Funded	823	-	-
Change in plan assets			
Fair value of plan assets at the beginning of the year	**843**	**-**	**-**
Expected return on plan assets	53	-	-
Actuarial gain	(5)	-	-
Employer contributions	29	-	-
Benefits paid	(97)	-	-
Fair value of plan assets at the end of the year	**823**	**-**	**-**
Reconciliation of present value of obligation on the fair value of plan assets			
Present value of defined benefit obligation at the end of the year	879	60	683
Fair value of plan assets at the end of the year	823	-	-
Liability recognised in the balance sheet	**56**	**60**	**683**
Components of expenses :			
Current service cost	95	3	6
Past service cost	-	-	-
Interest cost	49	-	2
Expected returns on plan assets	(53)	-	-
Recognised net actuarial (gain)/loss	(35)	(3)	(14)
Foreign exchange fluctuation	-	(1)	(16)
Net expense recognised in the statement of profit and loss	**56**	**(1)**	**(21)**

Plan assets do not comprise any of the Group's own financial instruments or any assets used by the entities of the Group. Plan assets can be broken down into the following categories of investments:

Total plan assets	Gratuity	Anniversary	Severance payments
Group balance fund	588	-	-
Group debt fund	234	-	-
Cash and cash equivalents	1	-	-
Total	**823**	**-**	**-**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Gratuity	Anniversary	Severance payments
Principal actuarial assumptions used:			
Discount rate	5.99%	1.44%	1.44%
Long-term rate of compensation increase	5.00%	3.00%	3.00%
Attrition rate	25.00%	-	-
Expected rate of return on plan assets	5.99%	-	-
Average remaining life (in years)	**21**	**8**	**4**

The Group assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Based on historical data, the Group expects contributions of INR 56 Lakhs to be paid for Financial year 2021-22. The weighted average duration of the defined benefit obligation as at March 31, 2022 is 3.83 years (March 31, 2021: 6.05 years)

Employee benefits - Maturity profile

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2022					
Gratuity	283	175	353	191	1,002
Anniversary	-	60	-	-	60
Severance payments	-	683	-	-	683

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability as at March 31, 2022.

Gratuity	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
March 31, 2022						
> Sensitivity level	0.5%	(0.5%)	0.5%	(0.5%)	0.5%	(0.5%)
> Impact on defined benefit obligation	(0.1)	0.1	(12)	12	12	(12)

Anniversary	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
March 31, 2022				
> Sensitivity level	1.0%	(1.0%)	1.0%	(1.0%)
> Impact on defined benefit obligation	(3)	3	3	(3)

Severance payments	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
March 31, 2022				
> Sensitivity level	1.0%	(1.0%)	1.0%	(1.0%)
> Impact on defined benefit obligation	(54)	62	57	(51)

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The following tables summarise the components of all defined benefit plans for the year ended March 31, 2021:

For the year ended March 31, 2021	Gratuity	Anniversary	Severance payments
Change in defined benefit obligation			
Defined benefit obligation at the beginning of the year	**864**	**76**	**670**
Current Service cost	99	3	6
Past Service cost	-	0	2
Interest cost	47	-	-
Actuarial loss/(gain)	(14)	(2)	(2)
Benefits paid	(124)	-	-
Foreign exchange fluctuation	-	1	29
Defined benefit obligation at the end of the year	**872**	**79**	**704**
Thereof			
Unfunded	29	79	704
Funded	843	-	-
Change in plan assets			
Fair value of plan assets at the beginning of the year	**853**	**-**	**-**
Expected return on plan assets	53	-	-
Actuarial gain	50	-	-
Employer contributions	11	-	-
Benefits paid	(124)	-	-
Fair value of plan assets at the end of the year	**843**	**-**	**-**
Reconciliation of present value of obligation on the fair value of plan assets			
Present value of defined benefit obligation at the end of the year	872	79	704
Fair value of plan assets at the end of the year	843	-	-
Liability recognised in the balance sheet	**29**	**79**	**704**
Components of expenses :			
Current service cost	99	3	6
Past service cost	-	-	-
Interest cost	47	-	2
Expected returns on plan assets	(53)	-	0
Recognised net actuarial (gain)/loss	(64)	(2)	(2)
Foreign exchange fluctuation	-	1	29
Net expense recognised in the statement of profit and loss	**29**	**2**	**35**

Plan assets do not comprise any of the Group's own financial instruments or any assets used by the entities of the Group. Plan assets can be broken down into the following categories of investments:

Total plan assets	Gratuity	Anniversary	Severance payments
Group balance fund	533	-	-
Group debt fund	309	-	-
Cash and cash equivalents	1	-	-
Total	**843**	**-**	**-**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

	Gratuity	Anniversary	Severance payments
Principal actuarial assumptions used:			
Discount rate	6.26%	0.3%	0.3%
Long-term rate of compensation increase	5% for first year there after 6%	3.0%	3.0%
Attrition rate	15.0%	-	-
Expected rate of return on plan assets	6.26%	-	-
Average remaining life (in years)	22	11	8

The Group assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Based on historical data, the Company expects contributions of INR 56 Lakhs to be paid for financial year 2021-22. The weighted average duration of the defined benefit obligation as at March 31, 2022 is 3.83 years (March 31, 2021: 6.05 years)

Employee benefits - Maturity profile

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2021					
Gratuity	181	146	330	318	975
Anniversary	-	79	-	-	79
Severance payments	-	704	-	-	704

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability as at March 31, 2021.

Gratuity	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
March 31, 2021						
> Sensitivity level	0.5%	(0.5%)	0.5%	(0.5%)	0.5%	(0.5%)
> Impact on defined benefit obligation	(2)	2	(22)	24	22	(21)

Anniversary	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
March 31, 2021				
> Sensitivity level	1.0%	(1.0%)	1.0%	(1.0%)
> Impact on defined benefit obligation	(6)	6	6	(5)

Severance payments	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
March 31, 2021				
> Sensitivity level	1.0%	(1.0%)	1.0%	(1.0%)
> Impact on defined benefit obligation	(35)	39	36	(34)

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Compensated absences

The Group permits encashment of compensated absences accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Group, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Group does not maintain any plan assets to fund its obligation towards compensated absences. The total compensated absences recognised in the statement of profit and loss for the year is INR 350 Lakhs (Year ended March 31, 2021: INR 62 Lakhs).

Principal actuarial assumptions used :	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate	5.99%	6.26%
Long-term rate of compensation increase	5.0%	5% for first year there after 6%
Attrition rate	25.0%	15.0%
Average remaining life (in years)	23	23

The estimates of future salary increases, considered in actuarial valuation taking into account of inflation, seniority, promotion, attrition and relevant factors, such as supply and demand in the employment market.

The defined benefit obligation and plan assets are composed by geographical locations as follows:

	India	Rest of the world	Total
March 31, 2022			
Defined benefit obligation	1,646	743	2,388
Fair value of plan assets	823	-	823
	823	**743**	**1,566**
March 31, 2021			
Defined benefit obligation	1,681	783	2,464
Fair value of plan assets	843	-	843
	839	**783**	**1,621**

20. Other liabilities

Particulars	As at March 31, 2022		As at March 31, 2021	
	Non-current	Current	Non-current	Current
Advance from customers	3,660	19,348	11,076	27,011
Unbilled payables*	-	44,384	-	58,004
Statutory dues	-	3,644	-	3,883
Billing in advance of work completed	-	2,018	-	4,529
Others	-	2,899	-	3,426
	3,660	**72,293**	**11,076**	**96,853**

* During the year, unbilled payables have been reclassified from trade payables to other current liabilities for better presentation and disclosed separately considering the principle of separate discloure for unbilled dues provided by the amendment in Schedule III of Companies Act, 2013. Pursuant to such reclassification, Balance Sheet as at April 01, 2020 has been presented in financial statements.

21. Current tax liabilities (net)

Particulars	As at March 31, 2022	As at March 31, 2021
Current tax liabilities net of advance taxes	2,323	1,596
	2,323	**1,596**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

22. Financial Instruments

The carrying value and fair value of financial instruments by categories are as follows:

Categories of financial assets and financial liabilities

Particulars	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Total
As at March 31, 2022			
Financial assets			
Investments	414	-	414
Trade receivables	-	207,112	207,112
Cash and bank balances	-	42,859	42,859
Other financial assets	-	9,045	9,045
	414	**259,016**	**259,430**

Particulars	Financial liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total
As at March 31, 2022			
Financial liabilities			
Trade payables	-	114,043	114,043
Borrowings	-	42,849	42,849
Lease liabilities	-	743	743
Other financial liabilities	-	3,246	3,246
	-	**160,881**	**160,881**

Particulars	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Total
As at March 31, 2021			
Financial assets			
Investments	453	-	453
Trade receivables	-	189,720	189,720
Cash and bank balances	-	37,131	37,131
Other financial assets	-	14,242	14,242
	453	**241,093**	**241,546**

Particulars	Financial liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total
As at March 31, 2021			
Financial liabilities			
Trade payables	-	120,942	120,942
Borrowings	-	34,952	34,952
Lease liabilities	-	893	893
Other financial liabilities	-	3,549	3,549
	-	**160,336**	**160,336**

The carrying value of financial asset and financial liabilities approximates the fair value of financial asset and financial liabilities as at March 31, 2022 and March 31, 2021. Also refer note 39- fair value measurement.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

23. Revenue from operations

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Sale of services	294,629	279,944
Other operating revenues, net (Also refer note 17(b))*	3,301	3,505
	297,930	**283,449**

* Other operating revenue includes income from scrip sales and duty drawback of INR 1,051 Lakhs (March 31, 2021 : INR 711 Lakhs)

A Disaggregation of sale of services

Sale of services are disaggregated based on projects, based on customer, based on timing of revenue recognition and based on geography.

a) Based on Product	Year ended March 31, 2022	Year ended March 31, 2021
Construction contracts	254,569	238,303
Operation and maintenance contracts	40,060	41,641
	294,629	**279,944**

b) Based on Customer	Year ended March 31, 2022	Year ended March 31, 2021
Industrial	72,510	69,650
Municipal	222,119	210,294
	294,629	**279,944**

c) Based on Timing of revenue recognition

Revenues from construction contracts and operation and maintenance contracts are recognised on 'Over a point in time' basis and 'At a point in time' basis respectively.

d) Based on geography

Sale of services can be disaggregated based on geography into 'India' and 'Rest of the World'. Refer Note 41-Segment Reporting for further details.

B Transaction price allocated to the remaining performance obligations (Order backlog)

Revenues expected to be recognised in the future relating to performance obligations that are unsatisfied or partially unsatisfied as at March 31, 2022 amount to INR 897,630 Lakhs (March 31, 2021 - INR 844,150 Lakhs).

Construction contracts are progressively executed over a period of upto 3 years and based on specific project schedules. Operation and maintenance contracts are expected to be executed over a period of 1 to 15 years, primarily on a monthly basis.

C Reconciliation of sales of services with contract price

	Year ended March 31, 2022	Year ended March 31, 2021
Opening contract price of orders as at April 01*	**844,150**	**1,034,540**
Total orders received during the year	364,759	131,214
Total revenue recognised during the year	(294,629)	(279,944)
Effects of foreign exchange movements & order variations	(16,650)	(41,660)
Closing contract price of orders as at March 31*	**897,630**	**844,150**

*Excludes framework contracts amounting to INR 113,065 Lakhs (March 31, 2021 : INR 114,259 Lakhs).

Framework contracts represents contracts wherein advance monies/letters of credit are awaited, hence these are not included in the contract price of orders as at the reporting date.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

24. Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest income from deposits with banks	225	121
Interest income - others	414	688
Foreign exchange gain	1,139	-
Gain on liquidation of investment in associate	655	-
Gain on sale of asset	111	12
Dividend income	696	-
	3,239	**821**

25. Cost of sales and services

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Material costs	112,496	105,794
Civil costs	56,783	63,060
Erection and commissioning costs	15,263	13,120
Taxes and duties	3,243	2,473
Site establishment costs	12,247	15,808
Engineering costs	3,982	1,939
Project consultancy fee	430	424
Warranty expenses/(reversal) (Also refer note 19(a))	1,691	(81)
Foreseeable losses on contracts (Also refer note 19(d))	(90)	105
Project travel	1,446	988
Insurance costs	856	745
Power and fuel	312	257
Liquidated damages (Also refer note 19(b))	756	312
Other operation and maintenance expenses, net	8,139	9,034
Other project expenses, net	13,275	9,606
	230,829	**223,584**

26. Changes in inventories

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year		
Contract inventories	863	265
Stores and spares	2,114	2,376
	2,977	**2,641**
Less: Inventories at the end of the year		
Contract inventories	992	863
Stores and spares	2,203	2,114
	3,195	**2,977**
Net exchange differences	(41)	60
Total	**(259)**	**(276)**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

27. Employee benefits expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	22,069	17,627
Contribution to defined benefit plans (Also refer note 19(e))	875	236
Contribution to provident and other defined contribution funds	813	911
Staff welfare expenses	1,309	1,078
	25,066	**19,852**

28. Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest expenses for borrowings at amortised cost	3,597	3,620
Interest expenses on lease liabilities	30	38
Bank charges	5,143	5,372
	8,770	**9,030**

29. Depreciation and amortization expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment (Also refer note 5)	932	1,146
Amortization of intangible assets (Also refer note 5)	81	67
	1,013	**1,213**

30. Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Rent (Also refer note 34)	1,054	998
Insurance	298	281
Power and fuel	296	278
Rates and taxes	244	610
Repairs and maintenance	887	673
Professional charges (Also refer note 35)	2,142	1,625
Communication expenses	152	171
Travelling and conveyance	351	177
Foreign exchange loss, net	-	929
Bad and doubtful debts, net	11,579	10,716
Advertisement	75	70
Research and development expenses	337	310
Corporate social responsibility expenses (Also refer note 36)	162	230
Miscellaneous expenses	1,018	1,345
	18,595	**18,413**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

31. Income taxes

The major components of income tax expense for the year ended March 31, 2022 and March 31, 2021 are:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current tax :		
Income tax expense	4,372	3,246
Tax expense/(reversal) in respect of earlier years	-	(62)
Deferred tax :		
Relating to allowances for credit losses	(414)	(278)
Relating to origination and reversal of temporary differences	(325)	41
Tax expense reported in the statement of profit and loss	**3,633**	**2,947**
Deferred tax related to net (gain)/loss on remeasurements of defined benefit plans recognised in other comprehensive income	9	15
Tax expense reported in other comprehensive income	**9**	**15**

Tax reconciliation:

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Parent at 25.17% (Year ended March 31, 2021 : 25.17%) and the reported tax expense in the statement of profit and loss are as follows:

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit before taxes	16,839	13,029
Enacted tax rates in India	25.17%	25.17%
Tax on profit at enacted tax rate	4,238	3,279
Net tax reversal relating to previous years	-	(62)
Difference between Indian and foreign tax rates and net results of subsidiaries	(205)	(392)
Dividend Income taxed at lower rate	(49)	(32)
Tax effect on non deductible expenses	(26)	44
Deferred tax charges	(325)	41
Others	-	69
Income tax expense	**3,633**	**2,947**
Current tax	4,372	3,246
Current tax reversal relating to previous years	-	(62)
Deferred tax	(739)	(237)
Income tax expense reported in the statement of profit and loss	**3,633**	**2,947**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

32. Earnings per equity share (EPS)

Particulars		Year ended March 31, 2022	Year ended March 31, 2021
For profit for the year			
Nominal value of equity shares (in INR)		2	2
Profit attributable to owners of the parent	**(A)**	13,191	11,011
Weighted average number of equity shares outstanding during the year	**(B)**	62,190,428	58,471,250
Basic earnings per equity share (in INR)	**(A/B)**	**21.21**	**18.83**
For total comprehensive income			
Nominal value of equity shares (in INR)		2	2
Total comprehensive income attributable to owners of the parent	**(a)**	12,935	11,772
Weighted average number of equity shares outstanding during the year	**(b)**	62,190,428	58,471,250
Basic earnings per equity share (in INR)	**(a/b)**	**20.80**	**20.13**
For profit for the year			
Dilutive effect on profit	**(C)**	-	-
Profit attributable to owners of the Parent for computing diluted EPS	**(D) = (A+C)**	13,191	11,011
Dilutive effect on weighted average number of equity shares outstanding during the year	**(E)**	-	-
Weighted average number of equity shares for computing Diluted EPS	**(F) = (B+E)**	62,190,428	58,471,250
Diluted earnings per equity share (in INR)	**(D/F)**	**21.21**	**18.83**
For total comprehensive income			
Dilutive effect on profit	**(c)**	-	-
Total comprehensive income attributable to owners of the Parent for computing diluted EPS	**(d) = (a+c)**	12,935	11,772
Dilutive effect on weighted average number of equity shares outstanding during the year	**(e)**	-	-
Weighted average number of equity shares for computing Diluted EPS	**(f) = (b+e)**	62,190,428	58,471,250
Diluted earnings per equity share (in INR)	**(d/f)**	**20.80**	**20.13**

33. Contract balances

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Movement in contract assets		
Opening balance as at April 01	**106,985**	**104,611**
Changes in the measure of progress, claims and other adjustments, net	22,459	36,003
Transfers to trade receivables, net	(54,750)	(33,629)
Closing balance as at March 31	**74,694**	**106,985**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Movement in contract liabilities		
Opening balance as at April 01	**42,616**	**37,626**
Billing-in-advance for work completed	1,654	4,324
Advances received during the year	3,791	23,052
Revenues recognised during the period	(4,166)	(2,337)
Advances offset against billing, net	(18,869)	(20,049)
Closing balance as at March 31	**25,026**	**42,616**

34. Leases

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Leases include several office buildings and vehicles.		
(A) Expenses related to leases recognised in Statement of Profit and Loss:		
Interest expense on lease liabilities	30	38
Expenses relating to short term leases	1,054	998
Depreciation expenses of right to use assets	256	365
(B) Payments related to leases recognised in Statement of Cash Flows:		
Recognition of lease liabilities	(150)	641
Interest paid on lease liabilities	30	38

(C) Total right to use assets recognised for the year ended March 31, 2022 :

Right to use assets class wise	Property, plant and equipment		
	Buildings	Vehicles	Total
Gross carrying value			
Balance as at March 31, 2021	**336**	**1,319**	**1,655**
Additions	121	34	155
Disposals	-	58	58
Effects of foreign currency translation	(3)	(23)	(26)
Balance as at March 31, 2022	**454**	**1,272**	**1,726**
Accumulated depreciation/amortization			
Balance as at March 31, 2021	**251**	**456**	**707**
Depreciation/amortization expense for the year	27	229	256
Reversal on disposal of assets	-	58	58
Effects of foreign currency translation	(28)	(7)	(35)
Balance as at March 31, 2022	**250**	**620**	**870**
Net carrying value			
Balance as at March 31, 2021	**85**	**863**	**948**
Balance as at March 31, 2022	**204**	**652**	**856**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(D) Maturity analysis of lease liabilities as at March 31, 2022 :

	As at March 31, 2022	As at March 31, 2021
Current lease liabilities liquidity analysis		
Within 6 months	240	267
Within 6-12 months	19	7
Non-Current lease liabilities liquidity analysis		
Within 1 to 5 years	472	603

35. Remuneration to auditors (included as part of professional charges) *

	Year ended March 31, 2022	Year ended March 31, 2021
As auditor		
Statutory audit	38	33
Limited review	13	10
Taxation matters	4	3
Other services	10	16
Reimbursement of expenses	2	2
	67	**64**

* excluding taxes

36. Expenditure on Corporate Social Responsibility (CSR)

		Year ended March 31, 2022	Year ended March 31, 2021
a)	Amount required to be spent by the company during the year	162	230
b)	Amount of expenditure incurred *	162	230
c)	Shortfall at the end of the year	-	-
d)	Total of previous years shortfall	-	-
e)	Nature of CSR activities#	-	-
f)	Details of related party transactions	-	-

*Includes amount transferred to separate bank account towards ongoing CSR projects

#Water Conservation and Environmental Sustainability

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

37. Service Concession Arrangements

The significant terms of the agreements entered into by the subsidiaries of the Parent towards design, construction, operation and maintainance of Water Treatment Plants on Design Build Finance Operate Transfer ('DBFOT') basis are as below :

Subsidiary	DK Sewage Project Private Limited	Ghaziabad Water Solutions Private Limited (Formerly known as Digha STP Projects Private Limited)
Project Description	Design, finance, construct, complete, operate and maintain the sewage treatment facilities and infrastructure in Digha and Kankarbagh areas	Design, finance, construct/renovate, complete, operate and maintain the new 40 MLD Recycle and Re-use Tertiary Treatment Reverse Osmosis ('TTRO') plant and infrastructure in Ghaziabad
Concession Authority	Bihar Urban Infrastructure Development Corporation ('BUIDCO') and National Mission for Clean Ganga ('NMCG')	Ghaziabad Nagar Nigam ('GNN')
Key Terms	- Construction period of 2 years including 3 months of trial run and O&M period of 15 years - 40% of the bid EPC cost shall be paid to the concessionaire over the construction period in specific milestones along with variation in construction price index - 60% of the bid EPC cost along with respective construction price index variation shall be paid on annuity basis over 15 years starting after the Commercial Operation Date ('COD') along with interest linked to SBI MCLR - The concessionaire will also receive the O&M charges along with respective O&M price index variation during the 15 year O&M tenure on a quarterly basis and is required to adhere and maintin contractual performance parameters - The arrangement provides for bonus/penalty linked to early / delayed achievement of the COD of the project	- Construction period of 2 years including 3 months of trial run and O&M period of 15 years - One portion of the bid EPC cost shall be paid to the concessionaire over the construction period in specific milestones - Balance portion of the bid EPC cost shall be paid over 15 years starting after the Commercial Operation Date ('COD') - The concessionaire will also receive the O&M charges along with escalation as per contract during the 15 year O&M tenure on a monthly basis and is required to adhere and maintain contractual performance parameters
Status of financial closure as per Concession Agreement	Completed	Yet to be announced
Debt and Equity Partners	Project Debt: PTC India Financial Services Limited	Yet to be announced
Effective / Appointed Date	April 12, 2022	March 02, 2022
Project bid cost	INR 24,789 Lakhs (including taxes)	INR 59,400 Lakhs (including taxes)
Classification	Dues from the concession authority have been recognised as Financial Assets, backed by an unconditional right to receive cash from the grantor	Dues from the concession authority have been recognised as Financial Assets, backed by an unconditional right to receive cash from the grantor
Revenue recognised	Nil	Nil

Kopri Bio Engineering Private Limited, subsidiary of the Parent has entered into a concession agreement with Thane Municipal Corporation towards development of a biogas based power plant and comprehensive O&M of Sewage Treatment Plant including tertiary treatment at Kopri, Thane for a period of 20 years. Financial closure is currently in progress.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

38. Related party disclosures

a) Names of related parties and nature of relationship

Nature of relationship	Name of related party
Associates	Windhoek Goreangab Operating Company (Pty) Limited, Namibia
	VA Tech Wabag and Roots Contracting LLC, Qatar
	Ganga STP Project Private Limited, India (w.e.f September 22, 2021)
Joint Venture	International Water Treatment LLC, Oman (Liquidated on April 17, 2022)
Key Management Personnel (KMP)	Mr. Rajiv Mittal- Chairman, Managing Director & Group Chief Executive Officer (Appointed as Chairman w.e.f March 26, 2022)
	Mr. S Varadarajan - Whole time Director & Chief Growth Officer
	Mr. Bhagwan Dass Narang - Independent Director (Retired w.e.f September 23, 2020)
	Mr. Malay Mukherjee - Independent Director (Appointed as Chairman w.e.f September 23, 2020) (Ceased to be a director w.e.f January 29, 2022)
	Mr. Milin Mehta - Independent Director
	Ms. Revathi Kasturi - Independent Director (Retired w.e.f September 23, 2020)
	Ms. Vijaya Sampath - Independent Director (Appointed w.e.f July 31, 2020)
	Mr. Anil Chandanmal Singhvi - Additional Director (Resigned w.e.f August 21, 2020)
	Mr. Ranjit Singh - Additional Director (Appointed w.e.f November 11, 2020)
	Mr. Amit Goela - Non Executive Non-Independent Director (Appointed w.e.f July 19, 2021)
	Mr. Sandeep Agrawal - Chief Financial Officer (Resigned w.e.f June 07, 2021)
	Mr. Skandaprasad Seetharaman - Chief Financial Officer (Appointed w.e.f June 08, 2021)
	Mr. Pankaj Sachdeva - CEO, India Cluster
	Mr. Arulmozhi - CFO, India Cluster (Appointed w.e.f June 01, 2021)
Other Related Party	Mr. Rohan Mittal - Engineer, Relative of Managing Director

Note: The Board of Directors of the Parent, at their meeting held on May 27, 2022 appointed Mr. Shailesh Kumar as KMP with immediate effect and as CEO India cluster w.e.f October 01, 2022.

b) Transactions with related parties

Particulars	For the year ended March 31, 2022		For the year ended March 31, 2021	
	Associates	Joint venture	Associates	Joint venture
Sales of goods and services	5,964	-	153	-
Others operating income	736	-	206	-
Reimbursements received/ receivable	-	-	1	-

c) Balances with related parties

Particulars	As at March 31, 2022			As at March 31, 2021		
	Associates	Joint venture	KMP and other related party	Associates	Joint venture	KMP and other related party
Advances/ amount recoverable	181	-	-	52	643	-
Amounts (payable) including loan to/(from) and interest	(77)	-	(84)	321	(5)	(33)

All transactions with these related parties are priced on an arm's length basis. None of the balances are secured.

d) Remuneration to Key Management Personnel and Other Related Party :

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries including bonus	715	478
Post employment and termination benefits	61	56
Commission	71	69

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

39. Fair value measurement

Fair value measurement hierarchy

The Group records certain financial assets and financial liabilities at fair value on a recurring basis. The Group determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Group holds certain fixed income instruments, forward contracts and unquoted investments in equity instruments which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Group's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

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

>Level 2: Inputs other than quoted prices included within 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 assets or liabilities that are not based on observable market data (unobservable inputs)

The following table shows the Levels within the hierarchy of financial and non-financial assets and liabilities measured at fair value on a recurring basis as at March 31, 2022 and March 31, 2021 :

Quantitative disclosures for fair value measurement hierarchy for assets as at March 31:

Particulars	Fair value measurement using				
	Date of valuation	Carrying value	Level 1	Level 2	Level 3
i) Assets measured at fair value:					
Fair value through statement of profit and loss					
Investments					
2022	March 31, 2022	414	-	-	414
2021	March 31, 2021	453	-	-	453

ii) Liabilities measured at amortized cost:

Interest-bearing loans and borrowings:

The Company ensures a balanced portfolio of fixed and floating rate loans and borrowings. The Company's borowings as at March 31, 2022 of INR 29,842 Lakhs (March 31, 2021 INR 21,910 Lakhs) and of INR 13,007 Lakhs (March 31, 2021 INR 13,042 Lakhs) are on fixed rate and floating rate basis of interest respectively.

The fair values of the Group's interest-bearing borrowings and loans are determined under amortised cost method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. These rates are considered to reflect the market rate of interest and hence the carrying values are considered to be at fair value.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

40. Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies

The Group's principal financial liabilities, comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include investments, trade and other receivables and cash and short-term deposits that derive directly from its operations. The Group also enters into derivative transactions and holds short term investments.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is supported by the Group Treasury Team that advises on financial risks and the appropriate financial risk governance framework in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by Group Treasury Team that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree on policies for managing each of these risks, which are summarised below.

a) Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

Interest rate sensitivity

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% for the year ended March 31, 2022 (March 31, 2021 : +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. Sensitivity calculations are based on annualised interest cost on the borrowings at floating rate as of the reporting dates March 31, 2022 and March 31, 2021. All other variables are held constant.

		As at March 31, 2022	As at March 31, 2021
Profit before tax			
Increase	+1%	130	126
Decrease	(1%)	(130)	(126)
Equity before tax			
Increase	+1%	130	126
Decrease	(1%)	(130)	(126)

Foreign currency risk

The Group enters into transactions of sales and purchases in various currencies based on the domiciliation of the entities of the group. Euro (EUR) and United States Dollar (USD) are the major currencies transacted in, outside the functional currency (INR) of the Parent.

To mitigate the Group's exposure to foreign currency risk, cash flows in foreign currencies are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies. Where the amounts to be

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken. Forward exchange contracts are mainly entered into for net foreign currency exposures that are not expected to be offset by other same currency transactions.

Foreign currency denominated financial assets and financial liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to the key management and are translated at the closing rate:-

	Foreign currency exposure (in INR Lakhs)	
	USD	EUR
March 31, 2022		
Financial assets	58,271	153
Financial liabilities	13,245	8,063
March 31, 2021		
Financial assets	51,613	684
Financial liabilities	19,926	7,741

Currency risk (or foreign exchange risk) arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency, of the respective entity, in which they are measured. For the purpose of this disclosure, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency of the respective entities.

The following table illustrates the sensitivity of profit and equity with regard to the Group's financial assets and financial liabilities and the USD/INR exchange rate and EUR/INR exchange rate 'all other things being equal'. It assumes a +/- 1% change of the USD/INR and EUR/INR exchange rate for the year ended March 31, 2022 (March 31, 2021 : +/- 1%).

If the INR had strengthened against the USD by 1% during the year ended March 31, 2022 (March 31, 2021: 1%) and EUR by 1% during the year ended March 31, 2022 (March 31, 2021: 1%) respectively, then it would have had the following impact on profit before tax and equity before tax :

		As at March 31, 2022	As at March 31, 2021
Profit before tax			
USD	+1%	450	317
EUR	+1%	(79)	(71)
		371	**246**
Equity before tax			
USD	+1%	450	317
EUR	+1%	(79)	(71)
		371	**246**

If the INR had weakened against the USD by 1% during the year ended March 31, 2022 (March 31, 2021: 1%) and EUR by 1% during the year ended March 31, 2022 (March 31, 2021: 1%) respectively, there would be an equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remain constant.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

b) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example on trade receivables, placing deposits, investment in mutual funds, etc. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at March 31, as summarised below:

	As at March 31, 2022	As at March 31, 2021
Classes of financial assets		
Trade receivables	207,112	189,720
Cash and bank balances	42,859	37,131
Other financial assets	9,045	14,242

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. The Group's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters.

In respect of trade receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics other than matters disclosed in Note 49. Customer credit risk is managed based on Group's established policy, procedures and control relating to customer credit risk management, pursuant to which outstanding customer receivables are regularly monitored by the management. Credit quality of the customer is assessed based on historical information in relation to pattern of collections, defaults and credit worthiness of the customer. As at March 31, 2022, the Group had 15 (March 31, 2021: 9) customers that owed the Group more than INR 5,000 Lakhs each and accounted for approximately 72% (March 31, 2021: 45%) of all the receivables outstanding. As at March 31, 2022, the Group has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired.

The credit risk for cash and bank balances, investments and derivative financial instruments is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other financial assets mainly comprises of tender deposits and security deposits which are given to customers or other governmental agencies in relation to contracts executed and are assessed by the Group for credit risk on a continuous basis.

c) Liquidity risk

Liquidity risk is risk of the Group not being able to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly and yearly basis depending on the business needs. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-days period at a minimum. This objective was met for the reporting periods. Funding for long term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are due within six months except for retentions and long term trade receivables which are governed by the relevant contract conditions.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and short term borrowings. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows including interest as at March 31, 2022 and March 31, 2021.

As at March 31, 2022	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Borrowings	33,967	-	9,360	-
Trade payables	90,809	7,725	15,509	-
Lease liabilities	240	19	472	12
Other financial liabilities	3,068	67	111	-
	128,084	**7,811**	**25,453**	**12**

As at March 31, 2021	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Borrowings	22,482	-	13,202	-
Trade payables	102,137	5,634	13,171	-
Lease liabilities	267	7	603	16
Other financial liabilities	3,243	164	141	-
	128,130	**5,805**	**27,117**	**16**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

41. Segment reporting

Considering the risk/return profiles of the segments between product and geography, the Group has identified geography as reportable segment in accordance with Indian Accounting Standard (Ind AS) 108 Operating Segments.

Particulars	India	Rest of world	Unallocated	Total
For the year ended March 31, 2022				
Revenue				
External sales	**111,662**	**196,460**	**-**	**308,122**
Other operating income	-	-	5,985	5,985
Inter-segment sales *	-	(16,177)	-	(16,177)
Total revenue	**111,662**	**180,283**	**5,985**	**297,930**
Results				
Segment result	21,441	43,396	-	64,837
Share of profit of associates and a joint venture, net	-	(316)	-	(316)
Unallocated corporate expenses	-	-	(44,674)	(44,674)
Operating profit	**21,441**	**43,080**	**(44,674)**	**19,847**
Interest and finance charges, net	-	-	(6,670)	(6,670)
Other income	-	-	3,662	3,662
Profit before tax	**21,441**	**43,080**	**(47,682)**	**16,839**
Income taxes	-	-	(3,633)	(3,633)
Profit after tax	**21,441**	**43,080**	**(51,315)**	**13,206**
Non-controlling interests	-	-	(15)	(15)
Profit for the year attributable to owners of the parent	**21,441**	**43,080**	**(51,330)**	**13,191**
As at March 31, 2022				
Other information				
Segment assets	167,029	190,836	-	357,865
Unallocated corporate assets	-	-	42,369	42,369
Total assets	**167,029**	**190,836**	**42,369**	**400,234**
Segment liabilities	77,545	122,599	-	200,144
Unallocated corporate liabilities	-	-	47,504	47,504
Total liabilities	**77,545**	**122,599**	**47,504**	**247,648**
For the year ended March 31, 2022				
Capital expenditure	-	-	552	552
Depreciation and amortization	-	-	1,013	1,013
Other non cash expenditure, net	-	-	11,393	11,393

* Net of intra-segment eliminations of sales within India

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	India	Rest of world	Unallocated	Total
For the year ended March 31, 2021				
Revenue				
External sales	**94,093**	**205,883**	**-**	**299,976**
Other operating income	-	-	4,017	4,017
Inter-segment sales	-	(20,544)	-	(20,544)
Total revenue	**94,093**	**185,339**	**4,017**	**283,449**
Results				
Segment result	15,831	41,032	-	56,863
Share of profit of associates and a joint venture, net	-	575	-	575
Unallocated corporate expenses	-	-	(39,478)	(39,478)
Operating profit	**15,831**	**41,607**	**(39,478)**	**17,960**
Interest and finance charges, net	-	-	(8,209)	(8,209)
Other income	-	-	3,278	3,278
Profit before tax	**15,831**	**41,607**	**(44,409)**	**13,029**
Income taxes	-	-	(2,947)	(2,947)
Profit after tax	**15,831**	**41,607**	**(47,356)**	**10,082**
Non-controlling interests	-	-	929	929
Profit for the year attributable to owners of the parent	**15,831**	**41,607**	**(46,427)**	**11,011**
As at March 31, 2021				
Other information				
Segment assets	178,693	194,908	-	373,601
Unallocated corporate assets	-	-	42,521	42,521
Total assets	**178,693**	**194,908**	**42,521**	**416,122**
Segment liabilities	92,699	145,395	-	238,094
Unallocated corporate liabilities	-	-	38,394	38,394
Total liabilities	**92,699**	**145,395**	**38,394**	**276,488**
For the year ended March 31, 2021				
Capital expenditure	-	-	1,502	1,502
Depreciation and amortization	-	-	1,213	1,213
Other non cash expenditure, net	-	-	9,587	9,587

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

42. Statutory group information

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities as at		Share in profit or (loss) for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
VA Tech Wabag Limited								
March 31, 2022	82.6%	126,037	69.8%	9,218	97.1%	(270)	69.2%	8,948
March 31, 2021	83.6%	116,793	72.4%	7,303	101.1%	761	74.4%	8,064
Foreign subsidiaries								
VA Tech Wabag (Philippines) Inc								
March 31, 2022	1.5%	2,293	(1.4%)	(182)	-	-	(1.4%)	(182)
March 31, 2021	1.8%	2,559	(5.5%)	(558)	-	-	(5.1%)	(558)
VA Tech Wabag Muscat LLC								
March 31, 2022	0.1%	179	0.8%	107	-	-	0.8%	107
March 31, 2021	0.0%	68	(0.4%)	(45)	-	-	(0.4%)	(45)
Wabag Muhibbah JV SDN. BHD.								
March 31, 2022	(0.3%)	(414)	(0.3%)	(42)	-	-	(0.3%)	(42)
March 31, 2021	(2.3%)	(3,192)	(20.9%)	(2,105)	-	-	(19.4%)	(2,105)
Wabag Belhasa JV WLL								
March 31, 2022	1.2%	1,901	0.2%	33	-	-	0.3%	33
March 31, 2021	1.3%	1,811	(3.2%)	(318)	-	-	(2.9%)	(318)
VA Tech Wabag And Roots Contracting LLC- Project-I								
March 31, 2022	0.0%	23	(0.0%)	(0)	-	-	(0.0%)	(0)
March 31, 2021	(0.0%)	(14)	(0.3%)	(27)	-	-	(0.2%)	(27)
Wabag Operation And Maintenance WLL								
March 31, 2022	-	-	-	-	-	-	-	-
March 31, 2021	0.1%	121	0.1%	13	-	-	0.1%	13
Wabag Limited								
March 31, 2022	(0.2%)	(254)	(0.2%)	(25)	-	-	(0.2%)	(25)
March 31, 2021	(0.2%)	(237)	0.9%	86	-	-	0.8%	86
VA Tech Wabag (Singapore) Pte Limited								
March 31, 2022	3.3%	5,012	4.7%	618	-	-	4.8%	618
March 31, 2021	3.1%	4,319	8.2%	826	-	-	7.6%	826

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities as at		Share in profit or (loss) for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of consoli-dated net assets	Amount	As % of consoli-dated profit or (loss)	Amount	As % of other compre-hensive income	Amount	As % of total compre-hensive income	Amount
Ganga STP Project Private Limited								
March 31, 2022	0.0%	-	1.5%	198	-	-	1.5%	198
March 31, 2021	0.5%	684	(1.9%)	(191)	-	-	(1.8%)	(191)
DK Sewage Project Private Limited								
March 31, 2022	0.0%	1	-	-	-	-	-	-
March 31, 2021	0.0%	1	-	-	-	-	-	-
Digha STP Projects Private Limited								
March 31, 2022	0.0%	1	0.0%	1	-	-	0.0%	1
March 31, 2021	-	-	(0.0%)	(1)	-	-	(0.0%)	(1)
Kopri Bio Engineering Private Limited								
March 31, 2022	(0.0%)	(16)	(0.1%)	(11)	-		(0.1%)	(11)
March 31, 2021	(0.0%)	(5)	(0.0%)	(5)	-	-	(0.0%)	(5)
Va Tech Wabag Limited Pratibha Industries Limited JV								
March 31, 2022	0.2%	359	(0.1%)	(10)	-	-	(0.1%)	(10)
March 31, 2021	0.3%	373	0.4%	40	-	-	0.4%	40
VA Tech Wabag Gmbh								
March 31, 2022	14.7%	22,500	15.6%	2,066	(5.0%)	14	16.1%	2,080
March 31, 2021	15.0%	20,955	20.2%	2,041	-	-	18.8%	2,041
Wabag Wassertechnik Ag								
March 31, 2022	1.2%	1,879	2.8%	371	-	-	2.9%	371
March 31, 2021	1.0%	1,428	1.5%	147	-	-	1.4%	147
VA Tech Wabag Brno Spol. S.R.O								
March 31, 2022	0.5%	725	(1.2%)	(156)	-	-	(1.2%)	(156)
March 31, 2021	0.6%	844	(3.9%)	(398)	-	-	(3.7%)	(398)
Wabag Water Services S.R.L.								
March 31, 2022	5.2%	7,906	14.5%	1,915	-	-	14.8%	1,915
March 31, 2021	4.5%	6,221	27.1%	2,735	-	-	25.2%	2,735

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities as at		Share in profit or (loss) for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
VA Tech Wabag Su Teknolojisi Ve Tic. A.S								
March 31, 2022	(1.3%)	(2,056)	0.6%	81	-	-	0.6%	81
March 31, 2021	(1.6%)	(2,185)	5.3%	535	-	-	4.9%	535
VA Tech Wabag Tunisie S.A.R.L								
March 31, 2022	0.6%	916	0.7%	96	-	-	0.7%	96
March 31, 2021	0.6%	843	0.0%	1	-	-	0.0%	1
VA Tech Wabag Deutschland Gmbh								
March 31, 2022	-	-	-	-	-	-	-	-
March 31, 2021	(0.0%)	(2)	0.5%	47	-	-	0.4%	47
Non-controlling interest in all subsidiaries								
March 31, 2022	(0.9%)	(1,326)	0.1%	15	7.9%	(22)	(0.1%)	(7)
March 31, 2021	(1.0%)	(1,343)	(9.2%)	(929)	(1.1%)	(8)	(8.6%)	(937)
Foreign associates (investments as per equity method)								
VA Tech Wabag And Roots Contracting LLC- Project-II and Project-III								
March 31, 2022	0.7%	1,097	(4.0%)	(533)	-	-	(4.1%)	(533)
March 31, 2021	1.2%	1,630	3.5%	349	-	-	3.2%	349
Windhoek Goreangab Operating Company (Pty) Limited								
March 31, 2022	0.3%	386	1.5%	204	-	-	1.6%	204
March 31, 2021	0.3%	352	2.4%	241	-	-	2.2%	241

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities as at		Share in profit or (loss) for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
Ganga STP Project Private Limited								
March 31, 2022	1.2%	1,860	0.3%	33	-	-	0.3%	33
March 31, 2021	-	-	-	-	-	-	-	-
Foreign joint venture (investments as per equity method)								
International Water Treatment L.L.C								
March 31, 2022	-	-	(0.2%)	(20)	-	-	(0.2%)	(20)
March 31, 2021	(5.7%)	(8,018)	(0.1%)	(15)	-	-	(0.1%)	(15)
Intercompany eliminations and other adjustments								
March 31, 2022	(10.8%)	(16,422)	(5.8%)	(772)	-	-	(6.0%)	(772)
March 31, 2021	(3.1%)	(4,372)	3.1%	310	-	-	2.9%	310
Total								
March 31, 2022	**100.0%**	**152,586**	**100.0%**	**13,204**	**100.0%**	**(278)**	**100.0%**	**12,926**
March 31, 2021	**100.0%**	**139,634**	**100.0%**	**10,082**	**100.0%**	**753**	**100.0%**	**10,835**

43. Authorization of financial statements

The consolidated financial statements for the year ended March 31, 2022 (including comparatives) is approved by the Board of Directors on May 27, 2022.

44. Interest in other entities

Summarised financial information of the associates and joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

(a) Investments in associates

	As at March 31, 2022	As at March 31, 2021
Aggregate carrying amount of individually immaterial associates	3,343	1,982

	Year ended March 31, 2022	Year ended March 31, 2021
Aggregate amount of the group's share of :		
Profit for the year	(296)	590
Other comprehensive income	-	-
Total comprehensive income	**(296)**	**590**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(b) Investments in joint venture

	As at March 31, 2022	As at March 31, 2021
Aggregate carrying amount of individually immaterial joint venture	-	-

	Year ended March 31, 2022	Year ended March 31, 2021
Aggregate amounts of the group's share of:		
(Loss) for the year	(20)	(15)
Other comprehensive income	-	-
Total comprehensive income	**(20)**	**(15)**
Share of (losses) from joint venture	**(20)**	**(15)**
Share of (losses) / profits from associates	**(296)**	**590**

45. Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (March 31, 2022) and the date of authorization, other than those disclosed under respective notes.

46. Contingent liabilities, commitments and guarantees

a) Claims against the Group not acknowledged as debt

	As at March 31, 2022	As at March 31, 2021
Income tax demand including interest contested in appeal for various assessment years	413	440
Indirect tax matters under dispute including interest contested in appeal for various years	6,837	6,699

b) Capital commitments

The estimated amounts of contracts to be executed on capital account and not provided for (net of advances) Nil (Previous year – Nil). Other commitments are cancellable at the option of the Group and hence not disclosed.

c) Guarantees excluding financial guarantees

	As at March 31, 2022	As at March 31, 2021
Guarantees issued by the Group for:		
- Others	-	-

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

47. Analytical ratios

Particulars	2021-2022	2020-2021	Change	Numerator	Denominator
Current Ratio	1.37	1.40	(2.2%)	Current assets	Current Liabilities
Debt-Equity Ratio	0.28	0.25	12.2%	Total Debt (Long & Short term)	Shareholder's Equity
Debt Service Coverage Ratio	0.38	0.38	(0.2%)	Earnings available for debt service	Debt Service
Return on Equity Ratio (ROE)	9.0%	7.9%	15.1%	Net Profits after taxes	Average Shareholder's Equity
Inventory turnover Ratio	7.96	8.31	(4.2%)	Cost of goods sold or sales	Average Inventory
Trade Receivables turnover Ratio	1.48	1.43	3.8%	Net Credit Sales	Average Accounts Receivable
Trade payables turnover Ratio *	1.96	1.50	30.6%	Net Credit Purchases	Average Trade Payables
Net capital turnover Ratio	3.71	2.98	24.5%	Net Sales	Working Capital
Net profit Ratio	4.5%	3.6%	24.4%	Net Profit	Net Sales
Return on Capital employed (ROCE)	13.4%	12.0%	12.3%	Earning before interest and taxes	Capital Employed

* Due to lower average trade payables during the current financial year.

All investments are non-current in nature and invested in group companies as equity instruments, hence return on investment ratio is not computed.

48. Additional disclosures under Schedule III division II

a) No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b) The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.

c) As per the information available with the Company, the Company has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956

d) There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period.

e) Company has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2022.

f) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

49. The Parent has been executing certain projects for Andhra Pradesh Power Generation Corporation Limited (APGENCO) and Telangana State Power Generation Corporation Limited (TSGENCO) as part of a consortium. With financial difficulties faced by other two partners, the Parent took over as consortium leader for these projects in 2014-15. Corporate insolvency resolution process was ordered against the erstwhile consortium leader Tecpro Systems Limited ('Tecpro') in 2017-18. The receivables from these projects, net of provision for expected credit losses are as follows:

a) The Parent is pursuing legal action to recover an amount of INR 6,953 Lakhs from Tecpro held under trust. The Parent expects to recover these dues through National Company Law Tribunal post the ruling in National Company Law Appellate Tribunal.

b) The Parent has completed the project for TSGENCO and is in the process of recovering the receivables and retentions of INR 13,099 Lakhs. The supreme court has appointed a sole arbitrator to decide on all claims between the parties and the parent expects to recover the receivables and retention on completion of the arbitration process.

c) The receivables and retentions pertaining to APGENCO project of INR 18,662 Lakhs, are recoverable progressively upon satisfactory completion of the contractual milestones.

Notes 1 to 49 form an integral part of these consolidated financial statements

In terms of our report even date attached

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

V Viswanathan
Partner
(Membership No.: 215565)

May 27, 2022
Chennai

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

Milin Mehta
Director
(DIN:01297508)

Rajiv Mittal
Chairman cum Managing Director & Group CEO
(DIN:01299110)

Skandaprasad Seetharaman
Chief Financial Officer

R Swaminathan
Company Secretary
(Membership No:A17696)

May 27, 2022
Chennai


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வபாக் ஹவுஸ்
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sustainable solutions. for a better life.

VA TECH WABAG LIMITED

CIN - L45205TN1995PLC030231

'WABAG HOUSE', No. 17, 200 Feet Thoraipakkam – Pallavaram Main Road,

Sunnambu Kolathur, Chennai, Tamil Nadu 600117, India

T: 91-44-6123 2323 I F: 91-44-6123 2324

E: companysecretary@wabag.in I W: www.wabag.com