Protecting **Environment.** Powering **Economy.**

WABAG

sustainable solutions. for a better life.

VA TECH WABAG LIMITED

Annual Report

2022-23

Across the Pages

Corporate Overview

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

Statutory Reports

Financial Statements

Investor-related Information

Manufactured Water

Circularity for Sustainability

Corporate Information

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

Registrar and Transfer Agent

KFIN Technologies Limited
Selenium Building, Tower B,
Plot Nos. 31 & 32,
Financial District,
Nanakramguda, Serilingampally,
Hyderabad - 500 032
P: +91 - 40 - 6716 2222

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

Corporate Assurance Team
VA TECH WABAG LIMITED

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

Bankers/Financial Institutions

- State Bank of India
- Asian Development Bank
- 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
- HSBC Bank
- UCO Bank

The Board

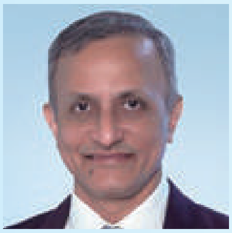
Rajiv Mittal
Chairman and Managing Director
M M M M M

Milin Mehta
Independent Director
C C M M

Vijaya Sampath
Independent Director
C C M M

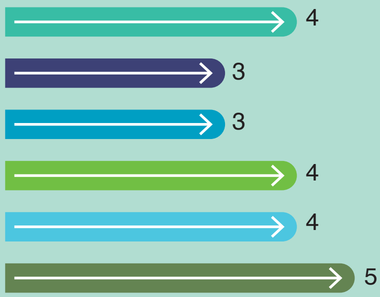
Ranjit Singh
Independent Director
C C M M

Amit Goela
Non-Independent Director
M M



S. Varadarajan
Whole-Time Director & Chief Growth Officer
M M M M

Board Committees



- Audit Committee
- Stakeholders' Relationship Committee
- Nomination and Remuneration Committee
- Risk Management and Monitoring Committee
- Corporate Social Responsibility Committee
- Capital Allocation Committee (Formerly Overseas Investment Committee)

C Chairman M Member

Board of Directors

5 Male Directors

1 Female Director

Board Composition

2 Executive Directors

3 Independent Directors

1 Non-Independent Director

The Management

Pankaj Malhan
DMD & Group CEO

Skandaprasad Seetharaman
Chief Financial Officer

Anup Kumar Samal
Company Secretary

Shailesh Kumar
CEO, India Cluster

Mahmut Gedek
CEO, Europe Cluster

V. Arulmozhi
CFO, India Cluster

sustainable solutions. for a better life.

Protecting **Environment.** Powering **Economy.**

In a world torn between environmental fragility and economic prosperity, our purpose as a water management Company is clear: to protect the environment while powering the economy.

Zarat SWRO, Tunisia

As we encounter the complexities of today's challenges, we are committed to chart a course that ensures the longevity of our planet's most vital resource – **WATER** – while fuelling communities with potential for rapid growth.

We recognise that water is not merely a priceless resource, but a catalyst that propels economic growth. Through our firm commitment to sustainable practices, we emphasise the criticality of recycling, reusing, and desalinating water. These transformative actions secure the enduring presence of this life-sustaining, essential asset and ignite a flame of economic prosperity that reverberates throughout communities. By embracing these practices, we are shaping a future in which the preservation of water integrates with the achievement of economic abundance.

Our remarkable growth trajectory stands as a testament to our proactive approach and forward-thinking mindset. Our commitment to sustainability has positioned us for both economic success and environmental stewardship.

So, as we pave the way for a prosperous future, our pursuit of excellence compels us to explore innovative water solutions and embrace sustainability wholeheartedly. By harnessing the power of water, we empower communities, driving economic expansion while preserving our environment.

Our dedication to sustainability and relentless pursuit for excellence distinguishes us as a global leader in water management.

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), focussing on the needs of various stakeholders. This report, as a principal communication document, explains strategies, business model and major impact across economic, social and environmental areas. 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. There has been consistent and continuous progress in 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, 2023. Information on all business segments, across geographies, is captured and supported with different activities that the Company undertakes for creating values in short, medium and long term. The 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 Report (MD&A), Report on Corporate Governance and the Business Responsibility and Sustainability Report (BRSR), are in line with the Companies Act, 2013, the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and prescribed the Secretarial Standards issued by Institute of Company Secretaries of India.

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 our Company's integrated performance.

sustainable solutions. for a better life.

Chairman & Managing Director's Communique

> WABAG, through its responsible and sustainable practices, remains a front-runner in the mission to ensure global water security and a greener, water-positive world, in line with India's G20 Presidency theme of 'Vasudhaiva Kutumbakam - One Earth, One Family, One Future', signifying environmentally sustainable and responsible choices towards a **cleaner**, **greener**, and **bluer** future.

Dear Shareholders and Stakeholders,

It is with great pleasure that we present to you our annual report for the FY 2022-23, another milestone year in our long legacy.

Over the past year, we have navigated through a dynamic and ever-evolving business landscape,marked by global economic shifts, technological advancements, and changing customer preferences. Despite these challenges, I am proud to announce that your Company has achieved significant milestones and maintained its position as a global leader in the water treatment sector. Our unwavering commitment to excellence, innovation, sustainability and customer satisfaction has been the cornerstones of our success. Through the collective efforts of our dedicated human capital, our value chain partners, bankers and all other stakeholders,we have successfully progressed on our strategic initiatives and delivered exceptional results.

The Global Environment

Globally, climate change and sustainability have become prime priorities, leading to countries and industries taking actions to reduce carbon footprint, build water security, and protect bio-diversity to promote a sustainable future for the Planet.

From the water point of view, a global water security assessment led by the United Nations' water experts found that the majority of the world's population currently live in water-insecure countries. This is a cause for major concern because water security is fundamental to development. The global assessment released during the UN 2023 Water Conference provides an analysis of the state of water security affecting 7.8 Billion people across 186 countries midway through the Water Action Decade (2018-2028) and the 2030 Agenda for Sustainable Development. The report provides some very alarming statistics, arguing that the world is far from achieving 'clean water and sanitation for all' known as **Sustainable Development Goal (SDG) 6**.

The Water Treatment Sector

Outlook

Water is essential to life and growth. Rivers have been the bedrocks of civilisational development. With the growing industrialisation and speedy urbanisation, there has been an increasing need for Water availability, both for economic progress and consumption. However, centuries of water withdrawal, coupled with population growth has depleted quantity and quality of surface and ground water, making it imperative that, ***Water is too precious a resource, to be used only once***.

Water treatment has assumed increased importance with its need growing every day considering the state-of-affairs regarding water availability. The water treatment industry is vital for public health, environmental sustainability, and economic development. However, the industry faces several challenges:

- **Aging Infrastructure:** Many water treatment facilities worldwide are aging and require upgrades or replacements to ensure efficient and reliable operation.
- **Population Growth and Urbanisation:** Increasing population and urbanisation create higher demand for **clean and safe water**, putting pressure on existing water resources and treatment infrastructure.
- **Emerging Contaminants:** The industry must adapt to address emerging contaminants, such as pharmaceuticals, micro plastics, and chemical pollutants, which pose new challenges for treatment processes.
- **Climate Change:** Changing weather patterns, including droughts and floods, affect water availability and quality, necessitating adaptive strategies and resilient infrastructure.
- **Energy Consumption and Sustainability:** Some water treatment processes are energy-intensive, and the industry is striving to reduce energy consumption and explore sustainable alternatives to minimise environmental impact.
- **Affordability and Access:** Ensuring access to clean water for all populations, including marginalised communities, remains a global challenge. Balancing affordability with maintaining high treatment standards is a critical consideration.

Overall, the water treatment industry plays a vital role in maintaining the availability and quality of clean water resources. Continued innovation, investment in infrastructure, and collaboration among stakeholders are essential to address the challenges and ensure sustainable water management for the future.

Focus and Outlook of a Transforming Global Water Sector

Below is an illustrative list of a few key water schemes and policies changing the face of the global water sector.

India

- **Water Making an Impact:** The Indian Government's initiatives in the water sector, including 'Namami Gange', 'Jal Jeevan Mission', 'Swachh Bharat', 'AMRUT', present a fertile landscape of opportunities for WABAG to thrive and make a lasting impact.
- **Recycle and Reuse:** In India, 'Recycle and Reuse' has been a focus at state as well as national level. Five states in India – Tamil Nadu, Karnataka, Maharashtra, Haryana and Gujarat – have come up with a state-level reuse policy, aiming at 70% reuse of treated wastewater by 2030 and ultimately at 100% reuse. A national level policy for safe reuse of treated water is also under consideration, which sets out the guidelines for the adoption and

implementation of recycle and reuse. The 'Namami Gange' released National Framework on Safe Reuse of Treated Water in November 2022.

The Government of India mandated all thermal power plants to use the treated sewage water from sewage treatment plants (STPs), situated within 50 kms radius for non-potable purposes.

- **Desalination:** The Central Government and NITI Aayog are drawing up a road map for setting up commercially viable desalination plants across the country's coastline in line with its target of supplying clean piped water to every household.

Middle East and Africa

- Government of Saudi Arabia allocated USD 28 Billion to support new waste water projects. In view of Vision 2030, wastewater reuse is seeing significant interest in Saudi Arabia, with a target of recycling 35% of the country's used water by 2030.
- Egypt's strategy for setting up large-scale desalination plants in conjunction with renewable energy. 21 projects are planned for 3,300 MLD with USD 3 Billion investment.
- Urban, Rural & Climate resilience programmes in Africa are set to drive opportunities and funding for the sector through multi-lateral and bi-lateral funding agencies.

Europe

- The EU is planning to overhaul contaminant and nutrient removal standards in Europe in a revision to the Urban Waste Water Treatment Directive (UWWTD), with over USD 4 Billion a year of Capex & Opex by 2040.

WABAG's Role in Ensuring Global Water Security and the Year in Review

Marching towards a Century of Water Leadership

I'm extremely elated to also share with you all that our beloved brand 'WABAG' is reaching its 100^{th} anniversary in 2024. It is with great pride and gratitude that I address you on this historic milestone, reflecting on a century of achievements, resilience, and unwavering commitment to excellence.

From humble beginnings to a global presence, our brand has journeyed through decades of challenges and successes, leaving an indelible mark on the societies and industries we serve and the lives we touch. Our enduring success is a testament to the vision and values upon which this company is built — ***sustainable solutions, for a better life***. Through economic downturns, technological revolutions, and societal transformations, we have remained steadfast in our dedication to delivering the quality services that inspire trust and loyalty.

Our brand is synonymous with reliability, technology and cutting-edge solutions. We have embraced innovation, constantly pushing the boundaries of what is possible to stay ahead of the curve. Through breakthrough technologies, constant research, and a passionate team of experts, we have consistently set new standards in water treatment.

But, our success would not have been possible without the support and trust of our customers and value chain partners who have driven us to strive for excellence and continuously improve.

As we embark on the next century, we do so with a renewed sense of purpose and excitement. We are committed to building upon our legacy, leveraging our expertise to tackle emerging challenges, and embracing opportunities that lie ahead. Our focus remains on delivering exceptional value, driving innovation, and making a positive impact on the world around us.

This milestone is also an opportunity to reflect on our responsibility as a corporate citizen. As a brand that has thrived for a century, we are aware of the importance of sustainability and social responsibility. We will continue to prioritise environmental stewardship, ethical practices, and community engagement to create a brighter future for generations to come.

The Year in Review

This year has been a landmark in the history of WABAG, highlighting a momentous milestone that fortified our strength and resilience as a company. We are extremely proud that WABAG has been ranked **3^{rd} globally**, by Global Water Intelligence (GWI), London, for ensuring safe and clean drinking water and sanitation for 88.8 Million people across the globe, validating our organisational commitment to the United Nations SDG-6, which aims to ensure clean water and sanitation for all by 2030.

We are extremely elated that WABAG has ascended to global acclaim, securing a prestigious **6th position** among global desalination players in the illustrious annual survey conducted by GWI for FY 2021-22. This achievement cements our position as consistently being one among the top 10 global desalination players– in the fiercely competitive and technologically advanced industry, bestowing global recognition and further igniting our passion for protecting the environment.

As we embark upon this annual report, I invite you to witness first-hand the culmination of our collective efforts and the transformative impact we continue to create as we protect the environment and power the economy.

Another Successful Year of Profitable Growth and Positive Cash

I am delighted to announce WABAG's remarkable performance for FY 2022-23. Despite economic challenges, we achieved a historic milestone by securing the highest-ever order book of over INR 132 Billion, providing us a robust and reliable revenue visibility for the next few years. Also, a vibrant order pipeline provides a strong outlook for the years to come to continue delivering Profitable Growth.

We continued our Profitable Growth journey delivering a consolidated total income of INR 30 Billion with a consolidated EBITDA of INR 3.5 Billion, up year-on-year by ~43% and delivered another year of positive operational cash flow generation of INR 850 Million on consolidated basis, and free cash flow of INR 861 Million. The Group continued its turnaround from **net debt to net cash** of INR 1,007 Million, achieving net cash positive position for the third consecutive year.

Our Debt Management focus also ensured a significant reduction in gross debt year-on-year from INR 4.3 Billion to INR 2.1 Billion. Net working capital remained in control at 78 days. Your Company also received a **Credit Rating Upgrade to A1+** during this financial year, re-affirming strong business fundamentals and a positive growth outlook.

Operational

I am thrilled to share that we achieved our highest-ever order book to date, valued over INR 13,200 Crore. Aligned with our strategic vision, we actively pursue projects funded by Central / Federal Government schemes and multi-lateral agencies. I am delighted to inform you that we are expanding our services to new locations and securing

Conference on Manufactured Water, Chennai, India orders from both our strategic markets and core sectors. Notably, our most substantial orders, such as DBO order to build South East Asia's largest Sea Water Desalination Plant for CMWSSB at Chennai funded by JICA and DBO order for Reconstruction, Expansion and Operation of Pagla STP at Dhaka, Bangladesh for Dhaka WASA funded by World Bank & AIIB,exemplify the global collaboration and growth we are experiencing. The robust quality of orders is a testimony to the trust that our clients, globally, have placed in us to deliver technologically advanced, large, and complex projects.

Clean and Green

Green solutions in the water sector encompass environmentally friendly and sustainable practices that focus on preserving and safeguarding water resources and environment. WABAG leads the way in transforming the sector towards a more environmentally conscious future by reducing greenhouse gas emissions and total resource recovery through our innovative and sustainable solutions. We promote the efficient utilisation of recycled water, harness green energy to power our plants, extract NPK-rich fertilisers from sludge, and thereby actively contribute to the circular economy.

Looking and Leaping ahead

Our Business Strategy for the Future - वृद्धि (Wriddhi)

Wriddhi denotes and focusses towards Profitable Growth, Success & advancement, Global Market Leadership, Free Cash Generation, Quantum Leap, Improved Valuation.

The following are the corner stones of '**Strategy - Wriddhi**':

- **Implementing an Efficient Global Delivery Model:** Breaking entity delivery structures and developing global competence-based delivery structures which can cater to a multitude of projects across the globe;

IWA International Conference, Chennai, India

Brings efficiencies and economies of scale along with specialisation and focus on delivery on time, cost and quality which is the heart of the project organisation.

- **Remaining focussed on Engineering Procurement, International and Industrial Sectors:** Initiating advanced technology jobs with better margins, reduced construction scope resulting in better cash-flows and guarantee limit utilisation; International focus to have geo-diversification.
- **Building Highly Capable Go-to-Market Teams with an Array of Partnerships in Core Regions:** Focussing on marketing and development of jobs rather than tendered jobs; Focus on jobs in high technology (Desal, Reuse, Oil & Gas, ZLD, Total Resource Recovery, Industrial) at good margin profiles with payment security (Multilateral, Federal Government, LC-backed, Sovereign funding).
- **Establishing Technology, Construction Partnerships for the Business and Financial Partnerships for BOOT/HAM Projects while Remaining Asset-Light:** Technology partnerships to license technology wherever needed to remain ahead of competition in addition to internal R&D efforts; Construction partnerships to improve EP share as construction is a pass through in the business – better margins and cash-flows; Financial Partnerships to remain asset-light, while pursuing the asset heavy BOOT / HAM business; Partnerships on the three counts ensure that WABAG remains a 'Full range service provider in the water treatment sector'.
- **Focus on O&M:** Staying close to the customer, ability to understand customer needs better and faster; Annuity business with better margins and predictability of revenues and cash flows; Repeat business generator; Asset-light and high ROCE business segment.

Continued Focus on Sustainability

At the heart of our endeavours lies our commitment to ESG and Sustainability principles, propelling us to excel across every facet of our operations and surmount challenges with resilience. By prioritising environmental stewardship, social support, and ethical practices, we not only foster a positive reputation but also actively contribute to creating a sustainable future. Our dedication to innovation, as demonstrated by our pioneering advancements in wastewater conversion into valuable water resources, while embracing sustainability and circular economy principles, positions us for a formidable foundation of sustained success.

Creating a system of sustainability balances the activities cohesively and collaboratively with the resource and the environment. We are committed to remain a Water Positive Company to achieve long-term objectives aligning with the United Nations Sustainability Goals.

Big Picture

'Vasudhaiva Kutumbakam', inspired from *Maha Upanishad*, translates to 'One Earth, One Family, One Future', - the theme of India's G20 Presidency which fundamentally highlights the importance of all life as well as their interdependence on Earth and across the universe. The theme also exemplifies LiFE (Lifestyle for Environment), which highlights the importance of environmentally sustainable and responsible lifestyle choices, both at the individual and national level, in creating a **cleaner**, **greener**, and **bluer** future.

WABAG through its responsible and sustainable practices remains a front-runner in the mission to ensure global water security and ensuring a green and water-positive world. Promoting circular economy, clean water from desalination, green energy from bio-gas, safe drinking water and responsible wastewater treatment over 99 years remain the hallmark of brand WABAG, as we accelerate our contributions in line with India's G20 commitment towards a **cleaner**, **greener**, and **bluer** future for the entire planet.

Closing Note

I extend my sincere appreciation to the esteemed members of our Board and the entire team at WABAG. It is their dedication and commitment through all the ups and downs which has helped us traverse this far. Together, we have overcome challenges, celebrated victories, and forged a path towards success. I would also like to express my heartfelt gratitude to our valued stakeholders for their support and cooperation. Your partnership has been instrumental in propelling us towards our shared goals, and I am truly grateful for the trust you have placed in us.

Thanking all for being an integral part of our journey.

Sincerely,
Rajiv Mittal

WABAG
sustainable solutions. for a better life.

Water Stewardship in Action

WABAG

We are one of the world's leading water management companies

GLOBAL

water manufacturer

ranked as 6th largest desalination

water manager

ranked as 3rd Global Water Leader

pure-play water technology leader

with 99 years of legacy providing sustainable water solutions to municipal and industrial customers across the world

20 MLD CETP, Kanpur, India

VA TECH WABAG LIMITED (referred to as 'the Company' or 'WABAG') evolved into a prominent player in the design and implementation of water and wastewater treatment plants. Expanding its horizons in the 1990s, WABAG ventured into the Asia-Pacific region setting up a base in Chennai, India. Today the Company, headquartered in India, operates across 4 continents, providing sustainable and innovative solutions to industrial and municipal clients across the world with a focus on desalination, water recycle and reuse, wastewater treatment, long-term maintenance and total water management solutions. With dedication and determination, WABAG takes a leading role in addressing global water challenges, spearheading efforts to tackle these critical issues on a global scale.

Driven by a strong focus on **research and development**, WABAG has dedicated R&D centres located in Europe & India, and also collaborates with leading technical institutes across the world. This has enabled WABAG to develop an impressive portfolio of over **125 Intellectual Property (IP) rights**. Through its commitment to sustainability and innovation, WABAG has earned the reputation of being a trusted water management partner known for providing reliable and long-term sustainable solutions to its clients.

WABAG Sustainability Metrics

Water

1.2 Million m³
Desalinated water per day

2.5 Million m³
Recycled water per day

27 Million m³
Wastewater treated per day

26.5 Million m³
Clean water per day

Energy

> 40 MW
Green energy per day

78%
Non-conventional energy utilisation

Social

₹ 1.14 Crore
CSR Spend for FY 2023

24 CSR Projects
Implemented till date

Awards

Ranked **3rd**
Global Water Leader by GWI (UK) for ensuring safe & clean drinking water and sanitation

Ranked **6th**
by GWI (UK) amongst the world's top desalination plant suppliers

Empowering Solutions. Fueling Sustainable Future...

Through Our Customised Water Solution Portfolio

WABAG's customised water solutions lead the way in revolutionising the industry towards a more sustainable future. With innovative offerings tailored to meet diverse needs, the Company forges a path towards a future where environmental preservation and economic prosperity harmoniously coexist.

STP, Jazan, KSA

Our Customised Water Solutions

Value Chain

WABAG's value chain encompasses a comprehensive range of services. It enables the design and optimisation of efficient wastewater treatment systems. With this, the Company guarantees long-term efficiency and sustainable solutions.

Unique Selling Propositions

As a pioneer in the water management industry, WABAG's key strengths serve as the foundation of its commitment to protecting the environment. The Company's unique attributes set it apart and position WABAG as the industry leader, striving to create a sustainable future through innovative water management solutions. WABAG's unique strengths have propelled the group from a regional setup to a globally respected water leader.

Strengths	Value Creation
Global Presence » The Group boasts a global presence spanning 99 years. » Operations across 25 countries and four continents. » Strong execution track record of implementing over 1,450 plants since 1995.	Ensuring water security and environmental sustainability for millions across the globe.
Pure Play Water Technology » WABAG distinguishes itself by prioritising manufactured water. » Strength lies in delivering high-quality water solutions. » Unwavering commitment to manufactured water enables the Company to excel in its mission. » Sets new benchmarks in the industry.	Playing the role of a technology system integrator in the water sector through innovative solutions.
Technology and Innovation » Harnessing technological expertise in cutting-edge water treatment solutions. » Stands as a pure water play technology company. » Possesses over 125+ intellectual property rights. » Global research and development centres. » Commitment to sustainability and circular economy principles.	Providing reliable and sustainable solutions; Delivering promises & maintaining credibility.
Experience and Strong Leadership » Rich history and vast experience in global water projects. » Proven track record of successfully delivering projects. » Professional management team with an average of 30 years of experience. » Ensures the Company's leadership in the water sector.	Sustaining as an industry leader in the water sector.
Commitment to a Greener Future » Strong commitment to sustainable water management practices and environmental stewardship. » Prioritises the development of eco-friendly technologies. » Promotes water reuse and resource conservation. » Strives to minimise its environmental footprint.	Driving environmental stewardship and reducing carbon footprint.
Financial Standing » Robust order book position providing strong growth visibility. » Celebrating its third consecutive year of Group 'NET CASH' turnaround. » Delivering consistent profitable growth. » Strong financial performance reflects commitment to financial stability and growth. » Sets the stage for continued success in creating value and capitalising on emerging prospects.	Delivering value to stakeholders.

Expanding Horizons. Building Steadily.

Through Our Global Presence

With presence in **25+** countries across **4** continents, the Company possesses a solid understanding of local water challenges and delivers tailored solutions. WABAG's offices in India, Southeast Asia, the Middle East, Africa and Europe, further reinforce the Company's commitment to address diverse water management requirements worldwide.

Leveraging its diverse expertise, knowledge, and resources, WABAG offers innovative and sustainable water solutions, that not only minimise risks but also establish a competitive edge worldwide. Utilising its expansive global footprint, the Company actively embraces and promotes eco-conscious water management practices, paving the path towards a more sustainable future.

India Cluster

01 India (Global Headquarters)
02 Nepal
03 Sri Lanka
04 Thailand
05 Malaysia
06 Singapore
07 Philippines
08 Vietnam
09 Bangladesh

Europe Cluster

10 Austria
11 Czech Republic
12 Switzerland
13 Romania
14 Germany
15 Russia
16 Turkey

MEA Cluster

17 Bahrain
18 Saudi Arabia
19 Qatar
20 Oman
21 UAE
22 Tunisia
23 Egypt
24 Libya
25 Nigeria
26 Tanzania
27 Senegal
28 Namibia

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

sustainable solutions. for a better life.

Achieving Milestones. Building Legacy.

Through Our Journey of Responsible Growth

1924

Water treatment business branded by WABAG

1996

The story of operations of WABAG began in India

2000

Bagged 1st overseas order – Independent Power Utility Project for KHTP, Malaysia and 1st municipal order 34 MLD STP at Chennai for CMWSSB

2003

WABAG India crossed INR 100 Crore revenue mark

2004

WABAG India doubled its turnover to INR 200 Crore

2005

Management buyout – a historic moment

2006

WABAG India celebrated 10 years of success with the grant of ESOPs to employees across levels; a first-of-its-kind in the Indian water industry

2007

WABAG India acquired its erstwhile parent – VA Tech WABAG (Austria), from Siemens

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 – INR 1,500 Crore 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

2023

- Received INR 4,400 Crore order for the Development, Construction, and Operation of a 400-Million Litres a Day (MLD) Desalination Plant in Chennai
- Received INR 800 Crore DBO order from Bangladesh

INR 13,200 Crore
Highest order book

2024

Marching towards centenary

sustainable solutions. for a better life.

Driving Business. Creating Value...

Through Our Value-Creation Approach

INPUTS

Financial Capital

- Net Worth: **INR 1,574 Crore**
- Net Cash: **INR 101 Crore**
- Total Assets: **INR 4,089 Crore**
- Total Capital Employed: **INR 1,571 Crore**

Service Capital

- **25+** Countries
- **4** Continents

Intellectual Capital

- Investment on R&D: **INR 3.46 Crore**
- Dedicated R&D Centres: **India and Europe**
- Collaboration with Leading Technical Institutions across the World

Human Capital

- Invested in Learning and Development: **INR 1.07 Crore**

Social and Relationship Capital

- CSR Spend: **INR 1.14 Crore**

Natural Capital

- Non-conventional Energy Utilisation: **78%**
- Water Consumed: **342.65 KL**

VALUE-DRIVEN SOLUTIONS FOR A CHANGING WORLD

WABAG's Value System

- Manufacture and manage water at competitive costs and best-in-class quality
- Conduct business in a fair, transparent and ethical manner
- Foster high performance culture
- Absolute commitment to health, safety and environment
- Reduce, reuse and recycle

Our Strengths

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

Life Cycle Partner

Focussed business

- Strategy
- Adaptability
- Capacity to deliver
- Economic feasibility

Our Beliefs

Eliminate waste

- Recycle
- Save time
- Reduce
- Recover energy

Our Focus in

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 1,600+ water professionals across the globe
- Implemented 24 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 water-related issues through Executive Committee

OUTPUTS

Financial Capital

- Market Capitalisation: **INR 2,190 Crore**
- Return on Capital Employed*: **18.50%**
- Total Revenue: **INR 2,960 Crore**
- EBITDA Margin: **12%**
- Profit Before Tax*: **INR 306 Crore**
- Profit After Tax*: **INR 230 Crore**
- Debt Equity Ratio: **0.14 Times**

Service Capital

- Serving over **88** Million People Globally

Intellectual Capital

- No. of Intellectual Property: **125+**

Human Capital

- No. of Training Conducted during FY 2022-23: **198**
- Total Training Man Hours during FY 2022-23: **47,712 Hours**

Social and Relationship Capital

- CSR Projects Implemented Till Date: **24**

Natural Capital

- Wastewater Treated: **27 Million m³**
- Green Energy per Day: **>40 MW**
- Desalinated Water per Day: **1.2 Million m³**
- Recycled Water per Day: **2.5 Million m³**

*Before exceptional items

SDGs

Financial Capital

- 4 QUALITY EDUCATION
- 8 DECENT WORK AND ECONOMIC GROWTH
- 17 PARTNERSHIPS FOR THE GOALS

Service Capital

- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 6 CLEAN WATER AND SANITATION
- 7 AFFORDABLE AND CLEAN ENERGY
- 11 SUSTAINABLE CITIES AND COMMUNITIES

Intellectual Capital

- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Human Capital

- 5 GENDER EQUALITY
- 1 NO POVERTY
- 3 GOOD HEALTH AND WELL-BEING
- 10 REDUCED INEQUALITIES

Social and Relationship Capital

- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
- 1 NO POVERTY
- 2 ZERO HUNGER
- 10 REDUCED INEQUALITIES

Natural Capital

- 7 AFFORDABLE AND CLEAN ENERGY
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 13 CLIMATE ACTION
- 14 LIFE BELOW WATER
- 15 LIFE ON LAND

sustainable solutions. for a better life.

Embracing Opportunity Landscape. Navigating Change...

Through Our Proactiveness and Preparedness

Current Water Scenario in India

Amidst the intricate tapestry of our world, India stands as an eloquent testimony to the delicate equilibrium between population and resources. With 18% of the global population, the nation grapples with the challenge of water scarcity, possessing a mere 4% of the world's precious water resources. As the population continues to grow, the per capita availability of water gradually diminishes, compelling us to explore innovative solutions that can sustain this lifeline for generations to come.

Projection (Per Capita Water reduction)

1,486 cubic metres
2021

1,367 cubic metres
2031

(Source: https://pib.gov.in/PressReleasePage.aspx?PRID=1604871)

Alarming Situation

According to international norms, a country can be categorised as 'water stressed' when water availability is less than 1,700 CUM per capita per year, whereas it is classified as 'water scarce' if it is less than 1,000 CUM per capita per year.

54%
India faces high to extremely high water stress

Fresh Water Utilisation in India

85.3%
Irrigation/Agriculture

6.3%
Domestic

1.3%
Industries

0.3%
Energy

6.5%
Others

WABAG – (Wriddhi)

WABAG is currently a leading player in its core regions in India, Middle East and Africa. Attractive growth opportunities are also available in ASEAN and Central Europe. WABAG's Growth Strategy emphasises India, the Middle East, ASEAN, Africa, and Central Europe regions. It aims to pursue high-quality utility projects and provide customised technological solutions for industrial customers in these core regions while also pursuing attractive spot opportunities elsewhere. WABAG can compete successfully by providing technology-driven and cost-effective solutions across various service lines using a global delivery model and intends to develop strategic partnerships to pursue EP, EPC, DBO, BOOT/HAM, and O&M global opportunities.

ZLD, NMDC, Jagdalpur, Chhattisgarh, India

Strategy in place for a Quantum Leap

Profitable Growth

Success

Market Leadership

Free Cash-flow

Improved Valuation

Go to Market

- Deploy agile Go to Market teams across focus markets
- Focus on developing jobs; competitiveness to remain intact
- The WABAG differentiator-Passioneering!

O&M Focus

- Focus on standalone O&M along with DBO/HAM
- One City One Operator, a game changer - Replication to remain the focus
- O&M leadership – medium-term target of 20% revenues from O&M business

EP, Industrial, International

- Enables to remain an advanced technology player
- Diversification of risk – Geographic, better working capital
- Better cash-flows and better time control

Partnerships

- Essential to remain Asset-Light
- Performance-based projects are the future; enhanced presence in capital projects
- Construction, developer & tech partnerships – De-risking & leadership essentials

Global Delivery Centres

- Focussing on GLOCAL approach to execution through a hub and spoke model
- Collaboration and synergies between clusters
- Strong order book and larger ticket size projects – Continued execution efficiency

Facilitating Communication. Aligning Goals...

Through Our Stakeholders Engagement

WABAG's accomplishments thrive on the foundation of robust partnerships and collaborations with its vital stakeholders. The Company proactively addresses concerns and developments by establishing timely and transparent communication channels. Through consistent engagement with customers, employees, investors, suppliers, communities, and government regulators, WABAG cultivates an environment of mutual growth and shared prosperity.

Stakeholders	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 counselling 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

sustainable solutions. for a better life.

Fostering Collaboration. Fueling Innovation…

Through Our Intellectual Capital

Leveraging its intellectual capital encompassing knowledge, patents, and expertise, WABAG spearheads innovation in water treatment solutions. Empowered by a skilled workforce and a strong emphasis on research and development, the Company gains profound insights into industry challenges, enabling the delivery of exceptional and ground-breaking solutions, reinforcing its leadership. With a keen focus on technology, WABAG emerges as a key player in public-private partnership (PPP) projects, showcasing its extensive technological capabilities and ability to meet the stringent standards set by multi-lateral agencies.

R&D centre - Europe

Project Execution: The turnaround

WABAG demonstrated remarkable efficiency in project execution, even in challenging conditions. Notably, WABAG completes its projects successfully within a stringent timeline, showcasing its ability to deliver within the designated timeframe. This exceptional achievement is a testament to the Company's commitment to delivering results swiftly and effectively. WABAG aims to replicate this high level of efficiency in other public-private partnership (PPP) projects, further enhancing its competitiveness in the industry.

Intellectual capital

INR 3.46 Crore
Spent on Research and Development for FY 2022-23

India and Europe
R&D Centres

Intellectual capital outcome

INR 132 Billion
Order Book

3rd
Global Ranking

>1,400
Projects Implemented Since 1995

125+
IP Rights

As a pure-play global water technology-based Company, WABAG is at the forefront of the industry and is supported by a robust research and development team dedicated to leveraging growth opportunities. The Company's multi-geographical teams and extensive intellectual property portfolio of over 125 IP Rights allow it to provide innovative solutions to build sustainable water infrastructure.

Municipal Water Treatment	Drinking Water Treatment	Sludge Treatment	Industrial Water Treatment	Industrial Wastewater Treatment
MICROPUR®	OPUR®	ENOPUR-AD™	ADOX®	FLUOPUR®
MICROPUR-CAS®	OPUR-SK™	BIOZONE-AD®	BIOZONE®	BIOPUR®
HYBRID™	WABAG - Advanced Filtration System	ENOPUR-INC™	Bioactive Filter	MEMTRICK®
CYCLOPUR®	CERAMOPUR®	ENOPUR-P™	iEDR™	EKJ™
MARAPUR®	CERAMOZONE®			an-OPUR™
MICROPUR-MBR®	CARBOPUR®			
FLUOPUR®	PACOPUR®			
BIOPUR®	BIODEN®			
DAMOPUR®	ENR®			

Nurturing Talent. Promoting Efficiency...

Through Our Human Capital

WABAG is committed to recruiting and fostering skilled individuals through fair and transparent hiring practices and is firmly dedicated to promoting inclusivity. The Company places significant importance on knowledge as a genuine measure of strength, appreciating skills, creativity, experience, mental well-being, and personal resilience among its esteemed workforce.

WABAG enhances the quality of life for its employees through a comprehensive compensation and benefits package. The Company prioritises professional and personal growth by providing skill development and training opportunities. It ensures safe and healthy working conditions, actively preventing and mitigating occupational hazards. WABAG fosters a culture of open communication, encouraging employees to voice concerns that may impede their work and promoting overall efficiency.

Trainees Felicitation Ceremony

Nurturing Future Potential through Diverse Initiatives

- Extra Milers Programme (EMP)
- Young Entrepreneur Programme (YEP)
- Leadership Excellence Programme (LEX)
- Emerging Leader Programme (ELP)
- Hi-POT Programme (Hi-POT)


Shining Stars Programme & Josh Meeting


PIT Awareness Session


Stars and Impact Creators Programme


Project Meet 2022

HR Highlights for 2022-23

- Recognised as the 'Most Preferred Workplace 2023' by Marksmen Daily, at the 3rd edition of Most Preferred Workplace 2023.
- Received 'Certificate of Appreciation' from 'BML Munjal Awards' for learning & development and driving business excellence.
- Launched WABAG Academy, completing Batch 1 for project managers/engineers.
- Recognised exceptional individuals with Special Achiever Awards, Contribution Awards, and Team Awards.
- Successfully recruited 213 lateral candidates and 77 trainees while retaining 57 employees.
- Organised informative health sessions and promoted cross-functional collaboration.

198
Training Programmes Conducted

>1,600
Water Professionals

100%
Employees Covered for Health and Accidental Measures

47,712
Hours of Training Provided

Fostering Community Relations. Building Trust...

Through Our Social Capital

WABAG is dedicated to establishing strategic partnerships with a wide range of stakeholders, harnessing distinct capabilities to foster synergistic collaborations. Through these partnerships, the Company aims to generate mutual benefits, and amplify its collective impact. As a responsible corporate entity, WABAG actively invests in local economies, contributing to sustainable economic growth in its operating regions.

Communities

WABAG goes beyond financial contributions, prioritising initiatives for livelihood improvements, preventive healthcare, sanitation, skill development, and safe drinking water access to make a positive impact on communities.

CSR Projects Benefitting

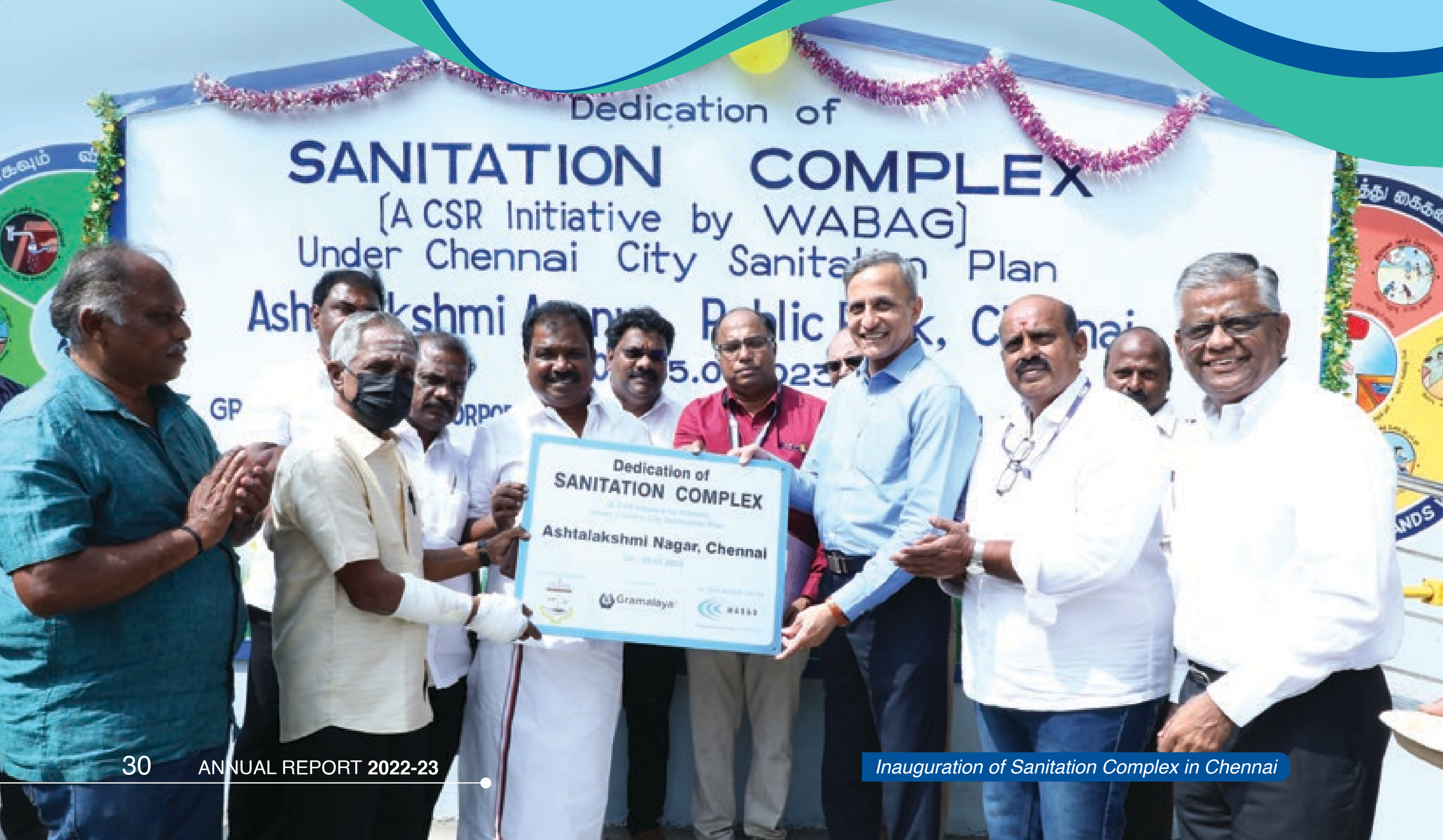
3,500+
Farmers

6,000+
School Kids & Teachers

5,000+
Urban Poor

Implemented **24** CSR Projects so Far with a Sectoral Focus on Water, Sanitation and Skill Development

INR 1.14 Crore
Amount Spent on CSR in FY 2022-23



Inauguration of Sanitation Complex in Chennai

Igniting Impact: WABAG's CSR Achievements

Driven by its CSR Policy, WABAG embraces the following key principles to fuel the success of its programmes:

- **Focussing on water, wastewater management, and sanitation**
- **Identifying projects within our project/office neighbourhood**
- **Empowering industry partnership**

Ongoing Projects Completed in FY 2022-23

Chennai City Sanitation Plan

In response to the appeal made by the Greater Chennai Corporation, WABAG successfully built two sanitation complexes comprising urinals, toilets, and an incinerator. The Project was completed on January 25, 2023, and handed over to the local association. Taking responsibility for the facility's maintenance, WABAG will ensure its upkeep for a year.

Livelihood Support Programme at Kolkata

Aligned with the neighbourhood-focussed approach, WABAG implemented the Livelihood Support Programme near its project locations in the city of Kolkata. This initiative included capacity building, skill training, and working capital to empower the community and enhance their livelihoods. WABAG continues to ignite positive change, impacting communities and lives.

Vendors and Suppliers

The Company includes partners in its practices, providing training on QHSE, ESG, risk assessment, ethics, and more. Sustainable sourcing is mandatory, with regular supplier audits. Value chain partners are assessed for issues like harassment, discrimination, and fair wages. The Company ensures fair treatment through the Preferential Procurement Policy.

12,601

Awareness programmes conducted for value chain partners on National Guidelines on Responsible Business Conduct Principles

Customers

WABAG values customers as vital stakeholders, providing innovative water technology solutions to utilities, sewerage boards, and industrial clients. A complaint-free record in the past two years and a robust grievance mechanism reinforce its commitment to customer satisfaction.

Zero

Number of Complaints

Leading the Way in Water Engineering...

Through Our Service Capital

Leveraging its service capital, WABAG excels in delivering cutting-edge water treatment and management solutions. From plant design to operation and wastewater treatment, the Company's tailored services offer unrivalled standards of quality and efficiency. WABAG's skilled professionals and advanced technologies tackle global water challenges, completing projects on time, minimising costs for positive industry transformation.

1,450+
Total Plants Executed

474
Sewage Treatment Plants

27 Million m^3
Freshwater Produced through Treatment Plants

7
Projects Ongoing for Namami Gange

81
Operating O&M Plants

71
Sludge Treatment Plants

66
Recycle and Reuse Plants

173
Industrial Wastewater Plants

68
Desalination Plants

324
Drinking Water Treatment Plants

383
Industrial Water Treatment Plants

One City One Operator, Agra & Ghaziabad, India

WABAG: Water Technology Partner for

- Drinking Water Treatment
- Desalination
- Wastewater Treatment
- Industrial Effluent Treatment
- Industrial Water Treatment
- Sludge Treatment
- Water Recycle & Reuse

WABAG's Presence Across Services

Engineering Procurement and Construction (EPC)

WABAG excels in undertaking comprehensive EPC projects, offering a wide spectrum of services encompassing the entire project life-cycle, from conceptualisation to commissioning. Each project demands meticulous assessment of various critical factors, including appropriate technologies and diverse geographical locations, among other key considerations.

Design-Built-Operate (DBO)

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

Operation and Maintenance (O&M)

WABAG diligently oversees the operation and maintenance of existing water and wastewater plants, leveraging the Company's extensive expertise and years of experience. Through streamlined operational procedures, the Company enables its clients to enhance their efficiencies and optimise performance, driving their success in the water management sector.

Hybrid Annuity Model (HAM)

WABAG, under this model, provides comprehensive solutions for financing, construction and operation of water and wastewater projects. The Company's asset-light model helps it gain competitive financing from the available sources. This, in turn, helps WABAG achieve timely project execution while also enhancing its efficiency.

Creating Lasting Impressions, Beyond Projects.

Sewage Treatment Plant

120 MLD Wastewater Treatment Plant (WWTP)
Jubail, Kingdom of Saudi Arabia
One of the largest wastewater infrastructure in Kingdom of Saudi Arabia

140 MLD Sewage Treatment Plant
Dinapur, Varanasi, India
First and largest STP inaugurated under 'Clean Ganga' mission

Desalination

110 MLD SWRO (Desalination) Plant
Nemmeli, Chennai, India
India's largest operational desalination plant till date

191 MLD SWRO (Desalination) Plant
Al Gubrah, Oman
One of the largest desalination plant in the country of Oman

Recyle and Reuse

91 MLD Wastewater Treatment Plant
Pappankalan, New Delhi, India
Large WWTP based on total resource recovery (Arth Ganga)

45 MLD Koyambedu TTRO Recycle Reuse Plant
Chennai, India
One of the largest and most technologically advanced water reuse plants in India ensuring Chennai's water security

Effluent Treatment Plant

43.2 MLD ETP for Reliance Industries Limited
Dahej, Gujarat, India
Largest recycling facility for PTA Effluent in India

Industrial Effluent Treatment Plant for PETRONAS
Johor Bahru, Malaysia
One of the largest Effluent Treatment Plant in South East Asia

PUROLITE WWTP, Victoria, Romania
A global reference for advanced industrial applications for WABAG, using high-end technologies to meet stringent discharge conditions.

20 MLD CETP
Kanpur, Uttar Pradesh, India
Largest Tannery ETP in India and one of the largest globally

New Technology

4.3 MLD Zero Liquid Discharge Plant
Jagdalpur, Chhattisgarh, India
The largest central zero liquid discharge plant of steel industry in India

Ceramic membrane plant - 300 MLD Chestnut Waterworks, Singapore
One of the key reference for WABAG in the field of ceramic membranes

WABAG
sustainable solutions. for a better life.

Recognising Responsibilities. Powering Sustainability…

Through Our Natural Capital

WABAG recognises and embraces the intrinsic link between the environment and its actions. It continues with sustainability driving strategies, optimising resource efficiency and minimising ecological footprint with innovative technologies. WABAG's tailored solutions ensure clean water access for all, enhancing operational efficiency, reducing costs, energy consumption, and carbon emissions. The Company's ultimate objective is to leave a positive and enduring impact on the environment, securing a sustainable future for generations to come.

Sustainable Practices

WABAG is dedicated to sustainability, reducing power and water consumption through decentralised power sources and energy-efficient technologies. Proactive energy audits and environmental monitoring inform decision-making for positive environmental impact, ensuring a greener future.

60 MLD STP- Valenzuela, Philippines

Increasing Contribution in Cleaning the Holy River

WABAG: As a '**Water Warrior in the Namami Gange Initiative**', WABAG diligently applies its expertise to manage 195 Crore litres of water daily. The Company's relentless efforts breathe life into the sacred river, restoring its flow and purity to ensure an abundance of resources. By spearheading this noble cause, WABAG paves the way towards the rejuvenation and revitalisation of the Holy River, fostering a future of purity and abundance.

WABAG Shaping Greener Tomorrow

WABAG's Path to Net Zero	Water Neutral	Waste To Energy	Resource Recovery	Circular Economy
Reducing > 630 tonnes GHG Emissions per day through sustainable solutions	Effective usage of recycled > 2.5 Million m^3 Litres water per day	Generating > 40 MW green energy for 25 years	Generating valuable resources from waste	Contributing to circular economy

Sustainability Milestones

- Built 'Zero Liquid Discharge' plant
- Platinum-rated Green Building Certification by IGBC to WABAG House, Chennai (global headquarters)
- 100% wastewater recycled at head office
- Sewage treatment plants running on bio-gas based green power generation
- Solids in wastewater recycled as manure

Strengthening Foundation. Powering Expansion...

Through Our Financial Capital

WABAG's strength and performance are propelled by its strategic implementation of disciplined financial practices. Through the integration of innovation, technology, and green finance initiatives, WABAG not only excels in operational efficiency but also aligns its financial strategies with sustainability goals. This approach ensures the optimal utilisation of financial capital while driving progress and sustainability in the Company's operations.

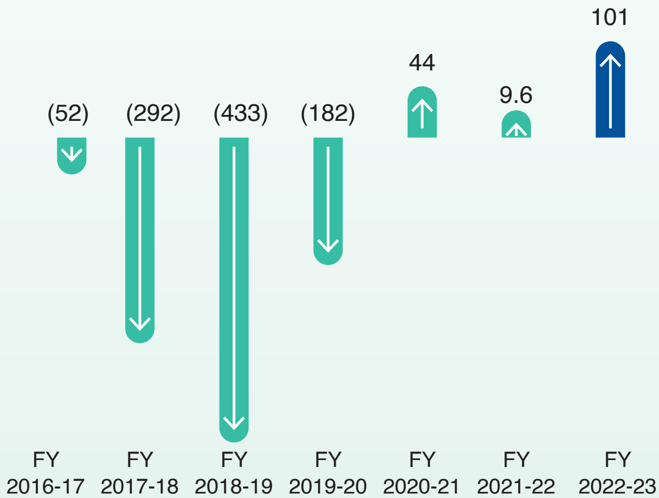
The Company has strategically shifted its focus to prioritise cash generation and enhance valuation, with a goal of maximising operative and free cash flow.

As a result, the Group continues achieving a 'NET CASH' turnaround for the third consecutive year.

Fuelling the Financial Potential

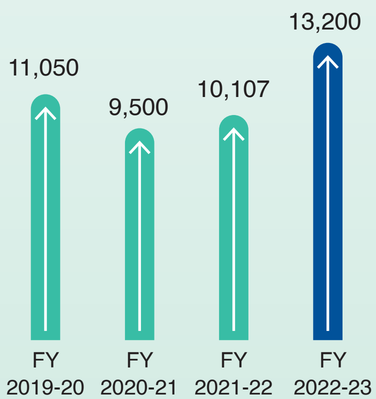
- **Prompt Delivery:** Once orders are secured, the Company's focus is on delivering those orders on time within cost and at optimum quality to meet customer expectations.
- **Cash Flow Focus:** WABAG has strategically moved from a top line focus to a profitable and cash-focused growth. The organisation and its processes are geared towards efficient cash cycles and effective debt utilisation.
- **Reduction in Interest Cost and Bank Guarantee Charges:** The Company has successfully reduced interest costs and bank guarantee charges by effectively managing interest rates and promptly returning guarantees. These measures have significantly enhanced the Company's cash flows, contributing to improved financial performance.
- **Asset-Light Company:** WABAG remains steadfast in its value of being an Asset Light organization. This enables higher returns on capital employed, thereby delivering better value to the stakeholders. This approach is further cemented by partnership in equity and construction which allows WABAG to be a total water player by participating in HAM, BOOT & EP Projects
- **Strong Project Portfolio:** The Company's projects are primarily backed by multilateral and sovereign funds, central government funding, and LC (letter of credit) support which provides absolute payment security.
- **Margin Sustainability:** WABAG has been working on improving its bottom line and generating healthy free cash flows over the past 2-3 years. The strategy involves a mix between EPC (Engineering, Procurement, and Construction) and EP (Engineering and Procurement) projects. Aim to ensure margin stability through effective project execution, controlling costs, and focussing on higher contribution margins.

Net Cash (INR Crore)



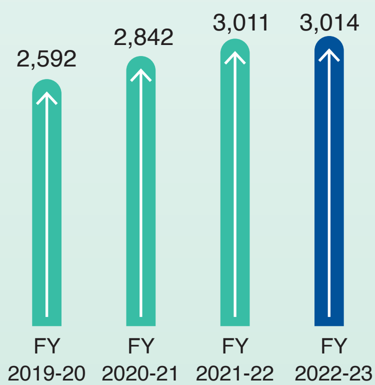
Order Book

(INR Crore)



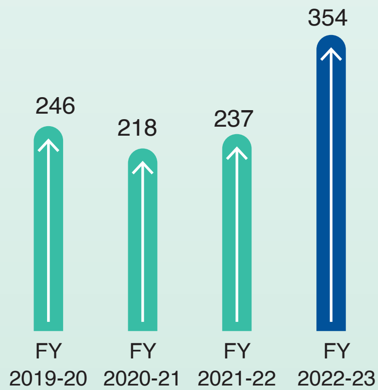
Total Income

(INR Crore)



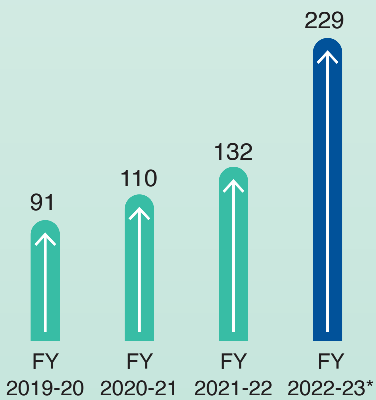
EBITDA

(INR Crore)



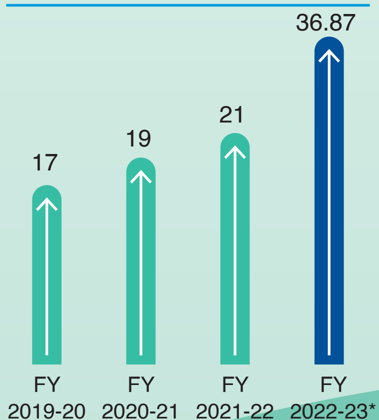
PAT

(INR Crore)



Earnings Per Share

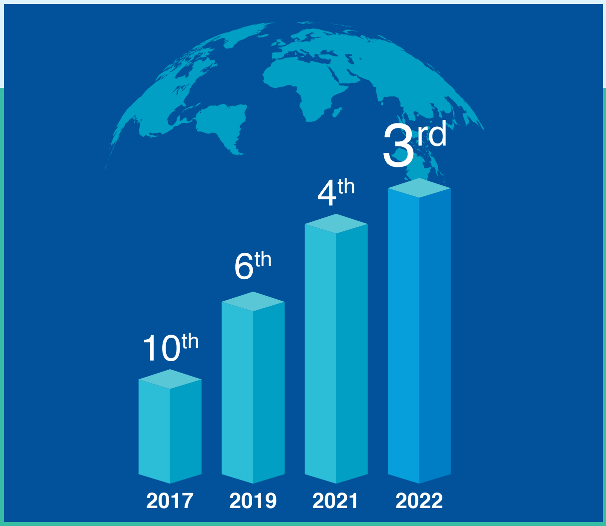
(INR)



INR 13,200 Crore
Strong Orderbook

* Before exceptional items

Awards and Accolades



WABAG has been ranked **3rd Globally** by GWI (UK), under **'The World's Top 50 Private Water Operators'**

WABAG ranked **6th amongst the world's top desalination plant suppliers** and retained its position in the global top 10 in the recently published annual survey of **GWI (Global Water Intelligence) for FY 2021-22**

Rajiv Mittal, Chairman and Managing Director, Conferred with **IWA Fellow** for his Outstanding Contribution to the Water Sector over 4 decades

Bestowed with **'Emerging Infrastructure Company'** in the Water Infrastructure Sector' at The Economic Times Infra Focus Awards 2022

Skandaprasad Seetharaman awarded '**CFO 100 Roll of Honour**' at 13th Annual CFO 100 Conference 2023

Bagged **'Desalination Project of the Year'** Award at Construction Times Awards 2023 for 30 MLD SWRO Plant Built for MRPLs at Mangalore, Karnataka

Received **2 Bronze Awards** for 140 MLD Dinapur STP, Varanasi and One City One Operator initiative at Agra, Uttar Pradesh

WABAG was recognized as the **'Most Preferred Workplace 2023'** by Marksmen Daily, at the 3rd Edition of Most Preferred Workplace 2023

Conferred with the **'Best Water Treatment Solution Provider'** at the Water Digest Water Awards 2022-23 for Ensuring Water Security and Environment Sustainability for Millions of People across the Globe

BOARD'S REPORT

Dear Members,

The Board of Directors of your Company is pleased to present its Twenty Eighth (28th) report on the business and operational performance of the Company together with the audited standalone and consolidated Financial Statements for the financial year ended March 31, 2023.

FINANCIAL / OPERATIONAL HIGHLIGHTS

The key highlights of standalone and consolidated financials for the financial year ended March 31, 2023 are summarised below:

(INR Lakhs)

Particulars	FY 2022–23	
	Standalone	Consolidated
Total Income (including Revenue from Operations and other Income)	238,587	301,408
Profit before interest, tax & depreciation (EBITDA)	32,212	34,358
Profit before tax excluding exceptional items	29,128	30,606
Profit before tax	205	1,683
Provision for tax	78	590
Profit after tax attributable to owners of the parent	127	1,093

BUSINESS ENVIRONMENT

The global economy after its encounter with the pandemic, geo-political tensions, inflation, global banking crisis, and other key factors appears to have moved on staging a full recovery and positioning itself to ascend to the pre-pandemic growth path in FY 2022-23.

In the water sector, there is an increasing demand for innovative solutions to address water scarcity, pollution, and infrastructure challenges witnessing significant opportunities for growth. Governments and multi-lateral agencies worldwide are investing in projects that promote water security, such as the development of water recycling initiatives and smart water management technologies. Furthermore, there is a growing trend towards integrating water and energy systems, recognizing the interconnected nature of these sectors. Your company has actively collaborated with Financial Institutions worldwide, showing a revitalized focus on the Water Sector.

We have garnered attention through initiatives driven by Sustainable Development Goals (SDGs) and Environment, Social, Governance (ESG) principles, which have attracted interest from Sustainability and Green Funds and have received significant allocations from various Financial Institutions globally, encompassing active, proposed, and pipeline stages.

Your Company offers dynamic customizable technological water solutions powered by renewable energy or energy-efficient processes and is well-positioned to capitalize on this synergy.

COMPANY'S PERFORMANCE

- Your Company has a healthy order book of over INR 13,21,900 Lakhs as on March 31, 2023 (including framework contracts) supported by order intake of INR 6,84,400 Lakhs.
- Total Consolidated Income for the FY 2022-23 was INR 3,01,408 Lakhs as against INR 3,01,169 Lakhs in the previous year and the total Standalone Income for the FY 2022-23 was INR 2,38,587 Lakhs as against INR 2,17,087 Lakhs in the previous year.
- Consolidated and Standalone Profit After Tax attributable to owners of the parent for the FY 2022-23 (before exceptional items) was INR 1,285 Lakhs and INR 127 Lakhs respectively as against INR 13,191 Lakhs and INR 9,218 Lakhs respectively in the previous year.
- Consolidated and Standalone EPS (before exceptional items) of the Company for the FY 2022-23 was INR 36.87 as against INR 21.21 in the previous year and INR 35.01 as against INR 14.82 in the previous year respectively.

Your Company has achieved another year of profitable growth i.e., profits growing at a rate faster than revenue growth. The Consolidated EBITDA before exceptional items grew by 43% YoY and the Consolidated PAT before exceptional items grew by 74% YoY. Your Company closed this financial year at a historic high order book position of over INR 13,000 Crore, thereby providing a robust future revenue visibility.

DETAILS OF MATERIAL CHANGES AND COMMITMENTS

In terms of Section 134(3)(l) of the Companies Act, 2013 ("the Act"), 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.

DIVIDEND

Taking into account the Business strategy and investment requirements for growth capital and Hybrid Annuity Model (HAM) projects like Namami Gange Programme, etc. which will enhance the Shareholders value on a long term basis, the Board of Directors of your Company have decided to conserve funds and hence have not recommended any dividend for the FY 2022-23.

Pursuant to Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR"), the top 1,000 listed entities based on market capitalisation, calculated as on end of every financial year are required to formulate a Dividend Distribution Policy which shall be disclosed on the website of the listed entity and a web link shall also be provided in the company's Annual Reports. Accordingly, the Dividend Distribution Policy of the Company can be accessed using the following link: https://www.wabag.com/wp-content/uploads/2018/06/Dividend_Distribution_Policy.pdf

UNPAID/ UNCLAIMED DIVIDEND AND SHARES

Pursuant to the provisions of Section 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 seven (7) 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 of the Company for seven (7) 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 2014-15 amounting to INR 60,516/- pertaining to 383 Members and 463 shares pertaining to 21 Members who had not claimed their dividends for seven (7) consecutive years have been transferred to IEPF Authority during September 2022.

The Company sends out suitable communication and reminder letters, from time to time, through its Registrar and Transfer Agent (RTA) 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 2015-16 and shares in respect of which dividends have remained unclaimed for the last seven (7) consecutive years as on due date shall become due for transfer to IEPF Authority in August 2023.

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.

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, 2023.

SHARE CAPITAL

The issued, subscribed and paid up share capital of the Company continue to remain at INR 12,43,80,856/- (Indian Rupees Twelve Crore Forty Three Lakhs Eighty Thousand Eight Hundred and Fifty Six only) as on March 31, 2023 consisting of 6,21,90,428 equity shares of face value of INR 2/- each without any change.

NON-CONVERTIBLE DEBENTURES (NCDs)

The Board of Directors of the Company has, at its meeting held on November 25, 2022, considered and approved the proposal to issue secured, unlisted, redeemable, transferable, rated and interest bearing NCDs of face value of INR 10,000 each with a total value of INR 200 Crore to be issued to Asian Development Bank in one or more tranches/ series. The Company is in the process of seeking necessary approvals, permissions, consents and sanctions as required by the arrangement.

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 Registrar and Transfer Agent (RTA) for the equity shares. The shares of your Company are tradable only in the electronic form.

As on March 31, 2023, the Company's total paid up capital representing 6,21,90,162 equity shares wherein 99.99% of equity shares are held in dematerialised form. The Company through various modes of communication to the Members encourages them to hold the shares in dematerialised form. As on the financial year ended March 31, 2023, only 266 equity shares belonging to seven (7) Members are held in physical mode.

CREDIT RATING

The India Ratings & Research (wholly-owned subsidiary of Fitch group), the Credit Rating Agency, affirmed the rating "IND A+" with "Stable" Outlook and **upgraded Short-Term Debt rating to "IND A1+"**. The said ratings 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

The Management Discussion and Analysis of your Company's performance forms part of this Annual Report.

CORPORATE GOVERNANCE

Your Company is committed to the highest standards of Corporate Governance and ethics. 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 the Shareholders value on a long term basis and respects Shareholders rights in all our strategic and business related decision. Your Company ensures best practices throughout the business cycle and follows a transparent procedure in sharing timely information to all its Stakeholders. Your Company places great emphasis on business ethics and ensures best practices throughout the business cycle.

Pursuant to Regulation 34 of SEBI LODR, the Report on Corporate Governance for the financial year ended March 31, 2023, is presented in a separate section, forming part of this Annual Report.

A certificate from the 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 the Stock Exchanges.

KEY PROJECT UPDATES

CHENNAI METROPOLITAN WATER SUPPLY AND SEWERAGE BOARD - SWRO – INDIA

Your Company in joint venture with METITO Overseas Limited, has bagged a design, build, operate (DBO) order from Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB) for building **400 million litres per day (MLD) sea water reverse osmosis (SWRO) desalination plant** at a total cost of about INR 4,400 Crore. The new Plant will come up at Perur, near the present 100 MLD Desalination plant built by WABAG on the East Coast Road, Chennai. This is the largest order for the Company and once completed, this plant will be the largest desalination plant in the South East Asian Region.

The new desalination plant will cater to the drinking water needs of the entire Chennai City, including added areas Tambaram and Pallavaram. Around half of Chennai's estimated total need of 1560 MLD will be met from Desalination Plants.

The project is funded by Japan International Cooperation Agency (JICA) and seeks to improve Chennai's water security through a stable source of drinking water in the form of desalination.

The contract includes design, engineering, procurement, construction, installation, testing, and commissioning of the 400 MLD SWRO desalination plant and the associated sea water intake system over 42 months followed by 20 years of operation & maintenance (O&M).

This project involves the construction of intake and outfall structure along with the required pipelines, construction of pre-treatment processes, SWRO desalination plant, remineralisation plant, GIS-based electrical substations and other allied processes and units to build a complete operating plant within the proposed site premises for the production of 400 MLD product water of the required drinking water quality. After successful completion of testing and commissioning of works, the Plant will be operated and maintained for 20 years under Design Build Operate (DBO) basis.

Once commissioned, this project makes Chennai "Desalination Capital of India" with a production of about 750 MLD of desalinated water along the coast of Chennai.

With the 400 MLD SWRO desalination plant, WABAG will be responsible for about 70 per cent of the water production through desalination units in Chennai.

RELIANCE INDUSTRIES LIMITED - SEA WATER REVERSE OSMOSIS – INDIA

Your Company is executing 2 x 1100 M^3/hr. **SWRO (Sea Water Reverse Osmosis) based Desalination Plant** at Jamnagar for Reliance Industries Limited (RIL).

The Treated water (Process water) will cater the requirement of RIL's new energy business, including renewable energy, Hydrogen economy business.

This is a repeat order (extension) from Reliance Industries, as we have executed a 24 MLD SWRO plant in the same premises. This repeat order echoes RIL's confidence and trust on WABAG. The Order value of EPC contract is INR 427 Crore.

The new EPC order includes design, engineering, procurement, supply, construction, erection, pre-commissioning, commissioning and performance guarantee test run of the seawater reverse osmosis (SWRO) plant, slated to be built on the premises of RIL's mammoth refinery at Jamnagar.

This plant, which is scheduled to be completed over a 21-month period, will employ state-of-the-art pre-treatment in the form of lamella clarification, Dissolved Air Filtration and Ultrafiltration (UF) followed by Reverse Osmosis (RO) technologies to convert seawater into process water.

Currently, on execution front, Project Progress is on track as per agreed schedule, we have achieved overall 60% physical progress.

On Execution front for Engineering & Procurement, Detailed Engineering is completed including all supplier's engineering deliverable. Manufacturing of all items are at various stage at supplier's shop. Some of the major items are delivered at site. Delivery completion is expected by December 2023.

On Construction front, Civil works are on full swing for all Major structures, which are expected to be completed by November 2023. Erection work is expected to be commenced by end of June 2023. Plant commissioning is expected to be done as per agreed schedule.

ONE CITY ONE OPERATOR – CLEAN GANGE MISSION PROJECT – INDIA

Your Company is executing INR 1,858 Crore 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 ten (10) years, extendable for an additional period of five (5) 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 672 MLD in both cities of Agra and Ghaziabad** put together, adhering to national treatment standards thus providing **cleaner and healthier eco system to the three (3) 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 Crore 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 Crore and Hybrid Annuity Model (HAM) scope worth about INR 247 Crore. 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, two (2) Sewage Pumping stations and survey, redesigning and building a new sewerage network of about 300 kilometres designing. In Kankarbagh, the scope comprises building a 50 MLD STP, Flow Diversion Works and all appurtenant structures and survey, redesigning and building new sewerage network of about 150 kilometres.

Powered with resource recovery model, the STPs are designed to ensure **minimum foot print** and will be enabled to produce **green energy from bio-gas** leading to lower OPEX to run the plants.

Your Company completed the financial closure of its Hybrid Annuity Model (HAM) project received from BUIDCO. Both the DBO and HAM scope of projects are under construction and progressing well.

B) KOLKATA METROPOLITAN DEVELOPMENT AUTHORITY HAM PROJECT – INDIA

This KMDA Bally, Arupara, Baranagar project which is under execution, consists of construction of three (3) 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 twenty four (24) months followed by O&M of fifteen (15) 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'). IFC, 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 moving towards completion, having completed substantial amount of construction at site. 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 is nearing completion.

C) GNN 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 Crore, WABAG will construct the new plant over two (2) years and operate the facilities, including the existing upstream 56 MLD Sewage Treatment Plant up to a period of fifteen (15) 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 Crore 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 five (5) 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.

DHAKA WATER SUPPLY & SEWERAGE AUTHORITY – SEWAGE TREATMENT PLANT – BANGLADESH

We are pleased to report that your Company has secured a breakthrough project in a new country, Bangladesh. This prestigious project is going to be executed for Dhaka Water and Sewerage Authority. The 200 Million litres per day (MLD) Pagla Wastewater project was secured amidst tough global competition. This is a first of its kind project in Bangladesh where **bio gas engines will be used to generate power from the digested sludge**. The project has an execution period of 40 months followed by 60 months (5 years) of Comprehensive Operation and Maintenance. This project is funded by the World Bank, Asian Infrastructure and Investment Bank (AIIB) and the Government of Bangladesh. The total project value is about INR 800 Crore.

The state of the art wastewater facility will be based on the activated sludge process using lamella clarifiers to ensure that the land utilization is optimised, further the plant will have odour control facilities to ensure an odour free environment. The sludge produced from the process will then be digested and the methane gas produced by this process of digestion will then be fed to Bio Gas engines to produce captive power. This power generated will cover upto 40% of the power required for operating this plant. The plant will be executed under the strict guidelines on **ESG published by the World Bank** which is in line with your company's internal ESG goals also.

Your Company has a stated objective of focusing on wastewater treatment, securing more international orders in new territories and focus on jobs funded by multilateral funding organizations. This project falls into this sweet spot and is a testament to our commitment to walk the talk.

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 and pre commissioning is completed. The project is under the final commissioning stage and performance test is to be completed.

Your Company is extremely delighted to be part of the **Vision 2030 of the Kingdom of Saudi Arabia** 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 successfully achieved Completion of performance tests and we have obtained COIA (Certificate of Initial Acceptance). The works have progressed well with utmost focus on HSE where the project has achieved major milestone of 7.3 Million safe man-hours. Focus now is on to complete the one (1) year Defects liability period and obtain COFA (Certificate of Final Acceptance by early 2024).

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 built 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.

PUBLIC UTILITIES BOARD (PUB) – SINGAPORE

The Public Utilities Board (PUB) has awarded WABAG the contract to replace polymer membranes at the Chestnut waterworks with **ceramic membranes**. The project is valued at 17 Million Euros (INR 140 Crore) and involves replacing membranes for the water treatment plant with a total capacity of 300 MLD, as well as pipeline and construction work. This is a significant milestone for WABAG as it will be our first reference plant for ceramic membranes.

AGCC – 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 & Reuse** 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. As on March 31, 2023, the project has achieved a cumulative progress of over 35%.

PUROLITE S.R.L, ROMANIA

WABAG Water Services S.R.L., Romania ('WABAG Romania'), our European subsidiary, secured a repeat order from Purolite S.R.L, Romania ('Purolite') worth about INR 260 Crore (EUR 30 Million) towards upgrading the Industrial Wastewater Treatment Plant ('WWTP') in Romania. The contract will be an Engineering & Procurement ('EP') scope contract which includes design & engineering, equipment supply, installation, commissioning and start-up of the Purolite Victoria WWTP. The project is scheduled to be executed over a 24-month period.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

Your Company being one of the top 1000 listed entities (by market capitalisation) had been reporting the Business Responsibility report upto the financial year ended March 31, 2022. The SEBI vide its circular dated May 10, 2021, had introduced a new reporting requirement on Environmental, Social and Governance (ESG) parameters called the "Business Responsibility and Sustainability Report" (BRSR), which is intended towards having quantitative and standardised disclosures on ESG parameters to enable comparability across companies, sectors and time which will be helpful for investors to make better investment decision for the listed companies which is being mandatory for the top 1000 listed companies as per market capitalisation. Hence for the FY 2022-23, your Company has adopted the BRSR mechanism as part of its business and the said BRSR forms part of this Annual Report.

POLICIES OF THE COMPANY

The Board of Directors of your Company have framed various statutory policies, codes as prescribed under the Act and the SEBI Regulations, from time to time. The Board/ Committee continuously reviews and updates the policies and codes in line with the amendments to the Act and the SEBI Regulations. 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 Materiality of Related Party Transactions & on dealing with Related Party Transactions
10) Whistle Blower Policy
11) Risk Management Policy
12) Sustainability Policy

13) Policy on Cyber Security Data Privacy
14) Equal Opportunity Policy
15) Policy on Business Responsibility and Sustainability Reporting
16) Policy on Grievance Redressal
17) Policy on Preferential Procurement
18) Policy on Human Rights

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

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

DIRECTORS & KEY MANAGERIAL PERSONNEL

Your Company, being a professionally managed Company, is functioning under the overall supervision and guidance of the Board consisting of six (6) Directors consisting of three (3) Independent Directors including an Independent Woman Director, one (1) Non – Executive Non - Independent Director and two (2) Executive Directors. The changes to the position of Directors and Key Managerial Personnel during the period from April 01, 2022 till the date of this report are as follows:

1) Mr. Pankaj Sachdeva ceased as the CEO – India Cluster (Key Managerial Personnel) of the Company w.e.f September 30, 2022; on account of attaining superannuation. He further continued to remain in the services of the Company till March 31, 2023 enabling smooth and efficient leadership transfer.

2) Mr. Shailesh Kumar was appointed as Key Managerial Personnel w.e.f. May 27, 2022 and subsequently as CEO-India Cluster (KMP) w.e.f. October 01, 2022.

3) Mr. R. Swaminathan resigned as the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company w.e.f. October 07, 2022;

4) Mr. Anup Kumar Samal was appointed as the Company Secretary & Compliance Officer (Key Managerial Personnel) of the Company w.e.f. December 07, 2022;

5) Mr. Rajiv Mittal, was re-designated as the Chairman & Managing Director (Key Managerial Personnel) of the Company, w.e.f. December 07, 2022;

6) Mr. Pankaj Malhan was appointed as the Deputy Managing Director and Group Chief Executive Officer (Key Managerial Personnel) of the Company, w.e.f. December 07, 2022;

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. Amit Goela, (DIN: 01754804) Non-Independent Non-Executive Director, who was appointed by the Members of the Company at the 26th AGM held on August 25, 2021 for a period of three (3) years, has to be considered to retire by rotation at the ensuing 28th Annual General Meeting (AGM) and he being eligible, offers himself for re-appointment. A brief profile of Mr. Amit Goela is given in the notice convening the 28th AGM of the Company. The Board of Directors of your Company recommends his re-appointment.

INDEPENDENT DIRECTORS

The Members of the Company at the 25th AGM held on September 23, 2020, had approved the appointment of Mrs. Vijaya Sampath (DIN: 00641110), as an Independent Director (Woman Independent Director) of the Company to hold office for a period of three (3) consecutive years from July 31, 2020 upto July 31, 2023. The Board of Directors of your Company at their meeting held on May 19, 2023, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members at the ensuing Annual General Meeting, considered and approved the reappointment of Mrs. Vijaya Sampath (DIN: 00641110), as an Independent Director (Woman Independent Director) of the Company for a second term of five (5) years w.e.f. August 01, 2023 to July 31, 2028 who shall not be liable to retire by rotation.

The Members of the Company at the 26th AGM held on August 25, 2021, had approved the appointment of Mr. Ranjit Singh (DIN: 01651357), as an Independent Director of the Company to hold office for a period of three (3) consecutive years from November 11, 2020 upto November 11, 2023. The Board of Directors of your Company at their meeting held on May 19, 2023, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members at the ensuing Annual General Meeting, considered and approved the re-appointment of

Mr. Ranjit Singh (DIN: 01651357), as an Independent Director of the Company for a second term of five (5) years w.e.f. November 12, 2023 upto November 11, 2028 who shall not be liable to retire by rotation.

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 directorship within the prescribed maximum limits as prescribed under SEBI LODR. Your Company has received necessary declarations from the Independent Directors in this regard.

REAPPOINTMENT OF THE INDEPENDENT DIRECTORS

Your Board seeks approval from the Members for the said re-appointments of Mrs. Vijaya Sampath and Mr. Ranjit Singh. Your Company has received requisite notice in writing from the Members proposing their candidature. The brief profile of said Directors proposed to be re-appointed along with other requisite information have been outlined in the Notice convening the 28th AGM of the Company.

EXECUTIVE DIRECTORS

The Members of the Company at the 23rd AGM held on August 10, 2018, had approved the re-appointment of Mr. S. Varadarajan (DIN: 02353065), as the Whole Time Director of the Company to hold office for a period of five (5) years w.e.f. June 01, 2018 who is also the Chief Growth Officer (CGO) and one of the Promoter of the Company. The Board of Directors of your Company at their meeting held on May 19, 2023, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members at the ensuing Annual General Meeting, considered and approved the re-appointment of Mr. S. Varadarajan (DIN: 02353065), as the Whole Time Director & Chief Growth Officer of the Company for a further period of five (5) years w.e.f. June 01, 2023 to May 31, 2028.

Further, the Board of Directors had approved the re-designation of Mr. Rajiv Mittal as the Chairman & Managing Director (Key Managerial Personnel) of the Company, w.e.f. December 07, 2022 subsequent to the appointment of Mr. Pankaj Malhan as the Deputy Managing Director and Group Chief Executive Officer (Key Managerial Personnel) of the Company, w.e.f. December 07, 2022, based on the recommendations of the Nomination and Remuneration Committee.

BOARD'S OPINION ON INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS APPOINTED DURING THE YEAR

During the FY 2022-23, 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 the Independent Directors that they have complied with the requirements.

KEY MANAGERIAL PERSONNEL (KMP)

The Key Managerial Personnel (KMP) of your Company as on March 31, 2023 as per Section 203 of the Act, are as follows:

a) Mr. Rajiv Mittal, Chairman and Managing Director;

b) Mr. S. Varadarajan, Wholetime Director and CGO;

c) Mr. Pankaj Malhan, Deputy Managing Director and Group Chief Executive Officer;

d) Mr. Skandaprasad Seetharaman, Chief Financial Officer;

e) Mr. Shailesh Kumar, CEO - India Cluster;

f) Mr. V. Arulmozhi, CFO – India Cluster;

g) Mr. Anup Kumar Samal, Company Secretary and Compliance Officer.

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 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.

ANNUAL EVALUATION OF BOARD AND PERFORMANCE OF ITS COMMITTEES AND INDIVIDUAL DIRECTORS

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 the 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 and also the Chairman. The digital 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 Board's 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 and other Directors of the Company carried out the performance evaluation of the Board and its Committees, Individual Director and Chairman at their Meeting held during FY 2022-23. 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 Programme, your Company conducts various programms, sessions 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 the Directors at the time of their appointment, capturing their roles, functions, duties and responsibilities and expectations of the 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.

The 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 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 the Directors.

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

BOARD & COMMITTEES

The Board of Directors of your Company comprises of the following Directors as on the financial year ended March 31, 2023:

1) Mr. Rajiv Mittal, Chairman and Managing Director;
2) Mr. S. Varadarajan, Whole Time Director & Chief Growth Officer (CGO);
3) Mrs. Vijaya Sampath, Independent Director;
4) Mr. Milin Mehta, Independent Director;
5) Mr. Ranjit Singh, Independent Director;
6) Mr. Amit Goela, Non - Executive Non - Independent Director.

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, 2023, the Board of your Company has following key Committees viz:

a) **Audit Committee** which acts as an interface between the statutory and the 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.

The Audit Committee of the Board comprises three (3) Independent Directors and one (1) Executive Director viz., Mr. Milin Mehta, Chairman of the Committee, Mr. Ranjit Singh, Mrs. Vijaya Sampath and Mr. Rajiv Mittal, Members of the Committee.

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

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

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

f) **Capital Allocation Committee** (formerly 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 Financial Statements of the Annual Report for investment made by Company in Overseas Direct Investment (ODI) entities.

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 issued by the Institute of Company Secretaries of India (ICSI), the minutes of the meetings of the Committees are sent to all the 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 the 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 well in advance to ensure their participation in the meetings.

During the FY 2022-23, the Board of Directors of your Company met seven (7) times through physical and video conferencing/other audio visual means on May 27, 2022, August 10, 2022, November 11, 2022, November 25, 2022, December 07, 2022, February 10, 2023 and March 17, 2023. The details regarding composition of the 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

In accordance with Section 134(5) of the Act, the Board of Directors to the best of its knowledge and belief and according to the information and explanations obtained, your Directors make the following statements:

a) 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;

b) the Directors 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 profits of the Company for that period;

c) the Directors 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;

d) the Directors had prepared the annual accounts on a going concern basis;

e) the Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and

f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

REMUNERATION POLICY

The Board of Directors of your Company had implemented 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 the provisions of Section 197 of the Act and rules made thereunder.

REMUNERATION OF EXECUTIVE DIRECTORS

The remuneration of the Executive Directors consists of fixed component and variable performance based on specific KPIs (Key Performance Index) and KRA (Key Results Area) agreed with the Executive Directors. 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.

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Non-Executive Directors are paid remuneration in the form of commission subject to overall ceiling limits prescribed under the Act and the Members approval. 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 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 Nomination, Evaluation and Remuneration Policy of the Company and internal policy of the Company which consists of fixed and variable pay includes salary, benefits, perquisites, provident fund etc. The Chairman & Managing Director and Whole Time Director & CGO carry out the overall performance evaluation of senior management/ other employees and apprises the Board/Nomination and Remuneration Committee about the same and on the basis of the overall achievements of KPI (Key Performance Index) and KRA (Key Results Area) 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.

The information required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including amendments thereof), is provided in the Annexure forming part of this Report. In terms of the first proviso to Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the members excluding the aforesaid Annexure. Any member interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company.

INDUSTRIAL RELATIONS

Your Company maintained healthy, cordial and harmonious industrial relations at all levels with the 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 provides 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 six (6) Members, majority being women members including one (1) external woman 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 had received one (1) 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, 2022 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 five (5) 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 2022-23 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, 2023, does not contain any qualification, reservation or adverse remark.

The Board of Directors of the Company, as recommended by the Audit Committee had approved the re-appointment of M/s Sharp & Tannan, Chartered Accountants, Chennai (Firm Regn No: 003792S) as the Statutory Auditors of the Company for another term of five (5) years from the conclusion of the 28th AGM until the conclusion of the 33rd AGM of the Company to be held in the calendar year 2028.

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 the Cost Auditor of the Company, for conducting the audit of cost records for the FY 2022-23. The audit of cost records is in progress and report by the 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 2022-23 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 Section 148(1) of the Act.

C. Secretarial Auditor

The Board of Directors had appointed M/s M. Damodaran & Associates, LLP, Practicing Company Secretaries, Chennai as the Secretarial Auditors of the Company for the FY 2022-23. 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, Chennai as the Secretarial Auditor of the Company for FY 2023-24.

D. Internal Auditors

Your Company has a robust Internal Audit function comprising of Corporate Assurance Department of the Company (internal staff) and M/s PKF Sridhar & Santhanam LLP, Chartered Accountants (external firm). The Internal Audit function aims to provide independent and objective assurance services with a view to add value and improve efficiency of business operations.

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 2022-23. The Internal Audit function 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.

M/s PKF Sridhar & Santhanam LLP, Chartered Accountants along with the Corporate Assurance Department of the Company conducts the Internal Audit as Internal Auditors of the Company for the FY 2023-24.

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 2022-23, your Company had invested in the following securities of DK Sewage Project Private Limited, Subsidiary Company:

- INR 3,58,00,000/- consisting of 35,80,000 Equity Shares of face value of INR 10/- each and allotted on March 28, 2023
- INR 7,42,00,000/- consisting of 74,20,000 Non – Convertible Debentures (Series A NCD) of face value of INR 10/- each and allotted on March 28, 2023
- INR 3,31,00,000/- consisting of 33,10,000 Non – Convertible Debentures (Series A NCD) of face value of INR 10/- each and allotted on March 29, 2023

b) During the FY 2022-23, your Company had invested in the following securities of Ghaziabad Water Solutions Private Limited, Subsidiary Company:

- INR 1,70,00,000/- consisting of 17,00,000 Equity Shares of face value of INR 10/- each and allotted on March 28, 2023
- INR 21,00,00,000/- consisting of 2,10,00,000 Non – Convertible Debentures (Series A NCD) of face value of INR 10/- each and allotted on March 28, 2023

Please refer Key Project Updates of the Board's Report for more details.

As on the financial year ended March 31, 2023, the Board of Directors of your Company had considered and approved following decisions with respect to Subsidiaries, Joint Ventures and Associate entities:

a) Approval for closure of place of business (Branch office) in Tanzania and accordingly the Registrar of Companies of the Republic of Tanzania had approved the same vide its order dated April 20, 2023;

b) Approval for strike off of Thoothukudi Renew Waters Private Limited, India, Associate Company which is under process;

c) Approval for closure of Wabag Limited, Thailand, Subsidiary Company through the process of voluntary liquidation, which is under process;

d) Approval for sale of "VA Tech Wabag Brno Spol S.R.O, Czech Republic" and ceased to be a subsidiary on March 10, 2023;

e) Closure of Macau Branch of VA TECH WABAG GmbH (Austria);

f) Approval of the proposal for opening branch office in Bangladesh for Pagla project;

g) Registration of Joint Venture agreement in Chennai for Perur project; and

h) Approval for 100% stake sale of Wabag Wassertechnik AG, Switzerland, Subsidiary Company.

Your Company has 21* subsidiaries, associates and 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 Form AOC-1 is enclosed as **Annexure III** to the Board's Report.

**During the Financial year:*

- *VA Tech Wabag Brno Spol S.r.o, Czech Republic has sold its 100% stake to a Local Partner on March 10, 2023;*
- *Wabag Limited, Thailand filed its liquidation and dissolution application on March 30, 2023;*
- *Thoothukudi Renew Waters Private Limited has filed the application on February 21, 2023 with the Registrar of Companies, Chennai, Ministry of Corporate Affairs, for striking off of name of the company as per Section 248 of the Act.*

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 the SEBI LODR and Policy for Determining Material Subsidiaries, your Company has one (1) 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, 2023 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 the Promoters, the Directors, the 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 the 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 and 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 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), either through Subsidiaries, Associates and Joint Venture Entities. In addition, your Company also executes projects in overseas geographies through establishment of a branch or other permanent establishment (PE) models.

As on March 31, 2023, the aggregate equity investments in such ODI entities amounted to INR 60.54 Crore as against INR 25.30 Crore as on March 31, 2022. The increase in investment was primarily on account equity infusion in to M/s. Wabag Muhibbah JV Sdn. Bhd, Malaysia, the Special Purpose Vehicle (SPV) for execution of RAPID Petronas Malaysia project.

The equity infusion was necessitated to fund the closing costs of the project. The RAPID Petronas Malaysia project is one of the largest orders in history of the Company to build a Effluent Treatment Plant for PETRONAS' Refinery and Petrochemicals Integrated Development (RAPID) Project in Pengerang, Johor. All other ODI entities operated their businesses from internal accruals and did not require any incremental fund infusions.

As on March 31, 2023, the aggregate guarantees in such ODI entities amounted to INR 36.49 Crore as against INR 60.35 Crore as on March 31, 2022, with the reduction primarily driven by completion of warranty obligations in the ODI entities.

Your Company has not provided any loan to its ODI entities during the year.

Your Company's international presence has benefited in both monetary and non-monetary aspects. During the FY 2022-23, overseas entities and projects contributed to ~47% of the consolidated revenues. Our International projects allows us to deploy advanced technology, enables contributing to the foreign exchange proceeds in to India, better working capital cycles and lower finance costs on account of PCFCs.

The Group's international presence has enabled advanced Research & Development activities in India and Europe leading to over 125 IP Rights which are proprietary in nature and used for the group's business operations to provide best in class customized and innovative technological solutions to our customers at competitive cost.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Your Company's CSR Committee comprises, Mrs. Vijaya Sampath (Chairperson) (DIN: 00641110), Mr. Amit Goela (DIN: 01754804), Mr. Rajiv Mittal (DIN: 01299110) and Mr. S. Varadarajan (DIN:02353065) as the 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/.

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 three (3) immediately preceding Financial years for implementation of CSR activities. During the year under review, your Company spent a sum of INR 114.82 Lakhs towards CSR projects implementation.

Pursuant to the provisions of Section 135(6) of the Companies Act, 2013, there was no unspent amount for the FY 2022–23 pertaining to ongoing projects which has to be transferred to a separate bank on or by April 30, 2023.

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

i. Livelihood Support Programme at Kolkata - On going Project;

ii. Chennai City Sanitation Plan - On going Project;

iii. Project under Industry Partnership Model (CSR Project under Apprenticeship Act) - Other than On-going Project;

During the FY 2022-23, the Company has spent an amount of INR 114.82 Lakhs towards the above mentioned projects.

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 focusses 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 relationship with the 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 the key the 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 for the community;

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'.

j) Any other projects and/or contribution for any specific purpose notified CSR and/or recommended/approved by CSR Committee/Board of the Company from time to time.

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 the 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, 2023, are given in the notes to the Financial Statements of the Company.

INTERNAL CONTROL / AUDIT & 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 a robust internal audit function, 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. The details are as under:

1. The internal financial controls within the Company commensurate 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 (Ind AS) 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 (Industrial and Financial Systems), a global Enterprise Solution 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 Board 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. forms part of Management Discussion and Analysis section of this Annual Report.

AWARDS & 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 2022-23.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN 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 the Related Parties: Particulars of contracts or arrangements with the 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, a copy 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 ICSI.

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.

QUALITY, HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION (QHSE)

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 nine (9) decades.

WABAG's vision is aligned to the United Nations Sustainable development goals (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 Indian Green Building Council (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 programme Namami Gange.

4. **Contributing to a Circular Economy:** In an era where sustainable development has become imperative, the concept of a circular economy has gained significant traction, VA TECH WABAG, has emerged as a frontrunner in promoting the principles of the circular economy. Through pioneering and innovative solutions WABAG has made remarkable contributions towards achieving a more circular and sustainable future.

   Equipped with innovative technologies, today WABAG-built STPs are serving as centres for resource recovery, extracting valuable resources from wastewater such as treated wastewater for non-potable purposes, renewable energy from biogas, and nutrient-rich fertilizer. Thus, WABAG enables STPs to play an important role in the circular economy, transforming wastewater treatment into a sustainable and resource-efficient process.

   Setting the precedent for Circular Economy more than 15 years ago, WABAG built and operated the Kodungaiyur Power-Neutral WWTP in Chennai, which holds the record of being the 1st WWTP in India to complete 110,000 hours on a single gas engine. The plant utilizes the Biogas generated from sludge digestion to generate Green Energy which is in-turn used to power the plant, thus rendering it Power-Neutral and independent of Grid Power. Similarly, our Dinapur WWTP in Varanasi, is the 1st and largest WWTP under the prestigious Namami Gange Programme, which was dedicated to the nation by Hon'ble PM Shri Narendra Modi. The plant, based on the Resource Recovery based Circular Economy model, is a power neutral WWTP, treating wastewater to restore the Aviralta & Nirmalta of river Ganga. A few other milestone plants build by WABAG on this concept are the K&C Valley WWTP at Bangalore, Karnataka, Pappankalan STP at New Delhi, Madinat Salman STP at Bahrain and the MARAFIQ WWTP at Jubail, Saudi Arabia.

WABAG believes 'Water is too precious to be used just once'. Through its infrastructure for Recycle/Reuse, WABAG ensures that the used water is treated to the desired parameters and is put back into the water grid, thereby ensuring constant availability of water, simultaneously safeguarding our precious freshwater sources. Through its technologically advanced infrastructure equipped to treat and reuse the municipal as well as the industrial wastewater, WABAG is treating 27 million m3 of wastewater every day and recycling 2.5 million m3 of treated wastewater every day to reduce the load on freshwater sources and abate the environment pollution. Similarly, the WABAG built Power Neutral STPs are generating over 40 MWH of green energy every day.

At WABAG, we have many global references, which are great examples of implementation of cutting-edge technologies for promoting water recycle and reuse. The world's first Direct Potable Reuse (DPR) plant at Namibia, the industrial effluent recycle and reuse plant at IOCL - Panipat and the Tertiary Treatment Reverse Osmosis (TTRO) plant at Chennai are a few time-tested references from WABAG.

WABAG has built the world-class water reuse plant (TTRO) at Koyambedu, one of the largest and the technologically most advanced plants in India and treats the secondary treated municipal water up to potable water standards. The treated water is then supplied to Industrial Hubs in South Chennai via a 68km pipeline, effectively diverting 1600 Crore litres of freshwater annually for Domestic Consumption and assuring Industrial Water Security at all times. In Windhoek in 2002, WABAG built the world's first Direct Potable Water Reuse Plant. With an advanced nine-step multi-barrier treatment system, secondary effluent is treated to high-quality drinking water.

WABAG has successfully completed one of the largest "Central Zero Liquid Discharge Plant"(CZLD) Plant of Steel Industry for NMDC Steel Ltd. at Jagdalpur, Chhattisgarh, India. The plant is equipped with state-of-the-art technologies like High-rate Solid Contact Clarifier (HRSCC), Dual Media Filter (DMF), Activated Carbon Filter (ACF), UV Disinfection System, Ultrafiltration System, Reverse Osmosis (RO), Multiple Effect Evaporator(MEE) to achieve zero liquid discharge. The recycled water is reused in the facility as make-up cooling water, making the production more sustainable and environmentally friendly.

ACKNOWLEDGEMENTS

Your Board of Directors thanks the Lenders, Banks, Financial Institutions, Business Associates, Customers, JV Partners, Government of India & Overseas Countries, State Governments in India, Regulatory & Statutory Authorities, Investors & Shareholders and other Stakeholders, Societies at large, Corporations, Municipalities for their valuable support & co-operation. For the continued contribution, commitment & dedication, your directors thank the employees of the Company and its Subsidiaries.

For and on behalf of the Board of Directors of
VA TECH WABAG LIMITED

Date: May 19, 2023	**Milin Mehta**	**Rajiv Mittal**
Place: Chennai	Director	Chairman and Managing Director
	(DIN: 01297508)	(DIN: 01299110)

ANNEXURE I

PARTICULARS OF EMPLOYEES

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

The ratio of remuneration of each Director to the median employee's remuneration of the Company for the FY 2022-23	Mr. Rajiv Mittal, Chairman and Managing Director– 56.63:1 Mr. S Varadarajan, Whole Time Director & Chief Growth Officer – 27.12:1 Mrs. Vijaya Sampath, Independent Director – 2.45:1 Mr. Milin Mehta, Independent Director – 2.45:1 Mr. Ranjit Singh, Independent Director – 2.45:1 Mr. Amit Goela, Non- Independent Director – 2.45:1
The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the FY 2022-23	Chairman and Managing Director– 22.59% Whole Time Director & CGO – 32.52% Other Directors - Nil Deputy Managing Director & Group CEO – N.A.$ Chief Financial Officer – 37.55% CEO - India Cluster – N.A.# Chief Financial Officer – India Cluster – 38.20% Company Secretary & Compliance Officer – N.A.^
The percentage increase in the median remuneration of employees in the FY 2022-23	-2.89%
The number of permanent employees on the rolls of the Company as on March 31, 2023	847
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	Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year is 17.78% and the average percentile increase in the managerial remuneration in the last FY is 23.81% on a like to like basis.
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 policies of the Company
A statement showing the name of top ten employee of the Company in terms of remuneration drawn	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 (A)** to the Board's Report.
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 one Crore and two Lakh rupees	
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 eight Lakh and fifty thousand rupees per month	The information required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including amendments thereof), is provided in the Annexure forming part of this Report. In terms of the first proviso to Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. Any Member interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company.

$ During the year, Mr. Pankaj Malhan was appointed as the Deputy Managing Director & Group CEO (KMP) w.e.f. December 07, 2022 and hence his remuneration for the last financial year was not comparable.

 # During the year, Mr. Shailesh Kumar was appointed as the Key Managerial Personnel w.e.f. May 27, 2022 and subsequently re-designated as the CEO - India Cluster (KMP) w.e.f. October 01, 2022 and hence his remuneration for the last financial year was not comparable.

^ During the year, Mr. Anup Kumar Samal was appointed as the Company Secretary & Compliance Officer (KMP) w.e.f. December 07, 2022 and hence his remuneration for the last financial year was not comparable.

For and on behalf of the Board of Directors of
VA TECH WABAG LIMITED

	Milin Mehta	**Rajiv Mittal**
Date: May 19, 2023	Director	Chairman and Managing Director
Place: Chennai	(DIN: 01297508)	(DIN: 01299110)

ANNEXURE II

Form MR - 3

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2023

[*(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 and Regulation 24A(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

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 **31.03.2023** 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 **31.03.2023** 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;

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

I have also examined compliance with the applicable 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 and

ii. Secretarial Standard -1 (SS-1) for Board Meeting and Secretarial Standard -2 (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. mentioned above subject to the following:

a. The Company has complied regulation 6(1) of SEBI LODR with minor deviation.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-executive Director and Independent Directors. There was no change in the composition of the Board of Directors during the period under review.

Adequate notice was given to all the 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 the Company is in compliance with Regulation 3(5) & 3(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 with respect to Structured Digital Database.

I further report that during the audit period,

a. The Company has passed Special Resolution at the Annual General Meeting (AGM) held on August 24, 2022 under sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 for re-appointment of Mr. Milin Mehta (DIN: 01297508) as an Independent Director of the Company to hold office for a second term of five (5) consecutive years from the conclusion of 27th AGM to the conclusion of the 32nd AGM of the Company to be held in the calendar year 2027.

b. Board of Directors of the Company, at its various meeting held during the year:

i. Considered the cessation of Mr. Pankaj Sachdeva, Chief Executive Officer- India Cluster (Key Managerial Personnel) of the Company with effect from September 30, 2022.

ii. Considered the appointment of Mr. Shailesh Kumar as Chief Executive Officer – India Cluster (Key Managerial Personnel) of the Company with immediate effect from October 01, 2022.

iii. Considered the resignation of Mr. R. Swaminathan, Company Secretary and Complaince Officer (Key Mangerial Personnel) of the Company with effect from October 07, 2022.

iv. Considered and approved the appointment of Mr. Pankaj Malhan as Deputy Managing Director and Group Chief Executive Officer (Key Managerial Personnel) of the Company (one level below the Board of Directors) with immediate effect from December 07, 2022.

v. Considered and approved the re-designation of Mr. Rajiv Mittal from “Chairman cum Managing Director and Group CEO” to “Chairman and Managing Director” of the Company with immediate effect from December 07, 2022.

vi. Considered and approved the appointment of Mr. Anup Kumar Samal (F4832) as the Company Secretary and Compliance Officer (Key Managerial Personnel) of the Company with immediate effect from December 07, 2022.

vii. Considered and approved the proposal for fund raising by way of issue of Non-Convertible Debentures up to INR 200,00,00,000/- (Rupees Two Hundred Crores only) in one or more tranches/series to Asian Development Bank on a private placement basis, as may be permitted under applicable laws, subject to necessary approvals, permissions, consents and sanctions as may be required.

M. Damodaran
Managing Partner

M. DAMODARAN & ASSOCIATES LLP
Membership No.: 5837
COP. No.: 5081
FRN: L2019TN006000
PR 1374/2021
ICSI UDIN: F005837E000337685

Place: Chennai
Date: May 19, 2023

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

Annexure A

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: F005837E000337685

Place: Chennai
Date: May 19, 2023

ANNEXURE – III

FORM AOC- 1

(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)

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

PART - A: SUBSIDIARIES

(All amounts are in INR Lakhs)

Sr. No.	Name of the Subsidiary, Country of Incorporation	Reporting period ended	Reporting currency	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Details of Investment (Except in case of Investment in Subsidiary)	Turnover	Proft/ (Loss) before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Extent of share-holding (in %)
1	VA Tech Wabag (Singapore) Pte. Limited, Singapore	March 31, 2023	SGD	2,102.32	3,590.63	10,879.32	5,186.38	-	8,906.20	342.66	(48.06)	294.60	-	100%
2	VA Tech Wabag (Philippines) Inc., Philippines	March 31, 2023	PHP	89.70	2,208.18	24,559.52	22,261.63	-	4,230.49	(105.40)	26.35	(79.05)	-	100%
3	VA Tech Wabag Limited Pratibha Industries Limited JV, Nepal	March 31, 2023	NPR	-	362.10	893.04	530.93	-	487.74	1.90	(0.60)	1.30	-	NA*
4	Wabag Muhibbah JV SDN. BHD., Malaysia	March 31, 2023	MYR	5,368.58	(5,570.02)	623.73	825.16	-	0.99	(798.37)	-	(798.37)	-	70%
5	Wabag Limited, Thailand	March 31, 2023	THB	38.62	(47.04)	0.18	8.59	-	162.77	260.81	(8.14)	252.67	-	49%[@]
6	VA Tech Wabag Muscat LLC., Oman	March 31, 2023	OMR	177.04	146.84	547.48	223.59	-	735.17	44.62	-	44.62	-	70%
7	Wabag Belhasa JV WLL, Bahrain	March 31, 2023	BHD	8.95	198.43	2,043.31	1,835.92	-	1,532.78	(1,821.44)	-	(1,821.44)	-	49%
8	VA Tech Wabag and Roots Contracting L.L.C.	March 31, 2023	QAR	34.36	70.53	1,280.18	1,175.29	-	-	54.51	-	54.51	-	60%
9	DK Sewage Project Private Limited, India	March 31, 2023	INR	359.00	231.42	4,388.02	3,797.61	-	5,405.50	309.26	(77.84)	231.42	-	100%
10	Ghaziabad Water Solutions Private Limited, India (Formerly known as Digha STP Projects Private Limited)	March 31, 2023	INR	171.00	(16.29)	7,738.00	7,583.29	-	11,138.46	(15.93)	-	(15.93)	-	100%
11	Kopri Bio Engineering Private Limited, India	March 31, 2023	INR	1.00	(54.94)	286.12	340.06	-	-	(23.11)	-	(23.11)	-	51%
12	VA Tech Wabag GmbH., Austria	March 31, 2023	EUR	893.77	24,861.23	61,814.60	36,059.60	244.38	24,312.69	2,159.82	(444.22)	1,715.60	-	100%

(All amounts are in INR Lakhs)

Sr. No.	Name of the Subsidiary, Country of Incorporation	Reporting period ended	Reporting currency	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Details of Investment (Except in case of Investment in Subsidiary)	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit after Taxation	Proposed Dividend	Extent of share-holding (in %)
13	VA Tech Wabag Deutschland, GmbH.,Germany	March 31, 2023	EUR	205.79	(205.79)	-	-	-	-	-	-	-	-	100%
14	Wabag Wassertechnik AG, Switzerland	March 31, 2023	EUR	611.35	1,794.02	8,298.64	5,893.27	-	16,069.35	322.58	(1.13)	321.45	-	100%#
15	VA Tech Wabag Brno spol. S.r.o., Czech Republic	March 31, 2023	EUR	-	-	-	-	-	900.72	(383.75)	12.69	(371.06)	-	100%$
16	Wabag Water Services S.R.L., Romania	March 31, 2023	EUR	8.94	7,817.56	11,218.40	3,391.90	-	3,975.76	(638.12)	92.98	(545.14)	-	100%
17	VA Tech Wabag Tunisie S.A.R.L., Tunisia	March 31, 2023	EUR	573.84	595.08	9,036.06	7,867.14	-	5,625.67	240.96	(36.14)	204.82	-	100%
18	VA Tech Wabag Su Teknolojisi Ve Tic. A.S , Turkey	March 31, 2023	EUR	1,361.04	(3,479.75)	221.88	2,340.59	-	978.15	93.00	(28.59)	64.40	-	100%

Note: Exchange rate used for Balance Sheet items is the rate as on March 31, 2023 and for Profit and Loss account items, the rate used is the average rate for the FY 2022-23.

* 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%. The Subsidiary Company has filed its liquidation and dissolution application on March 30, 2023.

\# VA Tech Wabag Limited had sold its stake entirely from the subsidiary on April 12, 2023.

$ VA Tech Wabag Limited had sold its stake entirely from the subsidiary on March 10, 2023.

Currency	Rate for Balance Sheet Items INR	Rate for Profit & Loss Account items INR
1 SGD	61.81	58.47
1 PHP	1.51	1.45
1 NPR	0.63	0.63
1 MYR	18.62	18.05
1 THB	2.41	2.28
1 OMR	213.41	208.52
1 BHD	217.93	212.92
1 QAR	22.51	22.03
1 EUR	89.38	83.60

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	Thoothukudi Renew Waters Private Limited, India*	Ganga STP Project Private Limited, India
Latest audited Balance Sheet Date	March 31, 2023	March 31, 2023	March 31, 2023	March 31, 2023
Shares of Associate/Joint Ventures held by the Company on the year end				
No. of Securities	98	33	2,600	1,82,64,999^
Amount of Investment in Associates/ Joint Venture	16.90	244.38	0.26	1,827
Extent of Holding (%)	49%	33%	26%	26%
Description of how there is a significant influence	There is significant influence due to percentage (%) of share holding	There is significant influence due to percentage (%) of share holding	There is significant influence due to percentage (%) of share holding	There is significant influence due to percentage (%) of share holding
Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Networth attributable to Shareholding as per latest audited Balance Sheet	1,093.59	375.87	1.00	850.96
Profit / (Loss) for the year				
(i) Considered in Consolidation	(3.00)	110.24	-	817.55
(ii) Not Considered in Consolidation	-	-	-	-

Note: * The Company has filed an application on February 21, 2023, with the Registrar of Companies, Chennai, for Striking off of name of the Company as per Section 248 of the Act.

^ Includes Non Convertible Debentures (NCD)

For and on behalf of the Board of Directors of
VA TECH WABAG LIMITED

Milin Mehta
Director
(DIN: 01297508)

Rajiv Mittal
Chairman & Managing Director
(DIN: 01299110)

Place : Chennai
Date : May 19, 2023

Skandaprasad Seetharaman
Chief Financial Officer

Anup Kumar Samal
Company Secretary
(Membership No: F4832)

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), as amended]

CSR PROGRAMME IMPLEMENTATION

In furtherance of CSR Policy, WABAG CSR programme is implemented on the following important guiding principles among others:

- To take up CSR project largely within the framework of our expertise, i.e. water, wastewater management and sanitation;
- To identify CSR projects in our project/office neighbourhood; and
- To impart training by supporting apprenticeship under Industry Partnership model

During the FY 2022-23, WABAG implemented the following CSR projects including the on-going projects:_

ON-GOING PROJECT FOR FY 2022-23:

Project 01: Livelihood Support Programme at Kolkata

In keeping with our CSR philosophy to promote CSR projects in our project/office neighbourhood, WABAG implemented Livelihood Support Programme at Kolkata in close proximity to the project locations in Kolkata city area wherein WABAG is executing Sewage Treatment Plants. The CSR project deliverables included capacity building to the targeted neighbourhood community; provided skill training besides providing working capital to start micro enterprises with a view to enhance their livelihoods and the quality of their life.

Project 02: Chennai City Sanitation Plan

The Sanitation Programme pertains to the Government of Tamil Nadu that comprises toilet construction as part of the Chennai City Sanitation Plan. In response to the appeal made by the Greater Chennai Corporation (GCC), under Chennai City Sanitation Plan, WABAG built two (2) sanitation complexes in its office neighbourhood, i.e. at Kamakoti Nagar and Ashtalakshmi Avenue, Pallikaranai. Each complex consists of two urinals and two toilets for men and two toilets and one incinerator for women. The project has been completed and handed over to the local Association on January 25, 2023. As part of the arrangement, WABAG would maintain the facility for a period of one (1) year from February 01, 2023 to January 31, 2024.

OTHER THAN ON-GOING PROJECT FOR THE FY 2022 - 23:

Project 01: Project under Industry Partnership Model:

In line with the notification issued by the Government of India, Ministry of Skill Development and Entrepreneurship, WABAG implemented the CSR project under the Apprenticeship Act by engaging apprentices as per minimum mandate and imparted training. For the FY 2022-23, we engaged apprentices aggregating to around 100 which included the minimum mandate as per Apprenticeship Act. We have also formulated a Three Year Rolling Plan in this regard and two more years to follow.

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:

Sr. No.	Name of Director	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.	Mrs. Vijaya Sampath	Independent Director – Chairperson	4	4
2.	Mr. Amit Goela	Non-Executive Non- Independent Director – Member	4	4
3.	Mr. Rajiv Mittal	Chairman & Managing Director – Member	4	4
4.	Mr. S. Varadarajan	Whole Time Director & Chief Growth Officer – Member	4	4

3. **Provide the 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/wp-content/uploads/2023/02/CSR-Policy.pdf and https://www.wabag.com/csr/

4. **Provide the executive summary along with web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable:** Not Applicable

5. a) **Average net profit of the Company as per Section 135(5):** INR 5,740.87 Lakhs
   b) **Two percent of average net profit of the Company as per Section 135(5):** INR 114.82 Lakhs
   c) **Surplus arising out of the CSR projects or programmes or activities of the previous financial years:** Nil
   d) **Amount required to be set off for the financial year, if any:** Nil
   e) **Total CSR obligation for the financial year (b+[c]-[d]):** INR 114.82 Lakhs

6. a) **Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project):** INR 114.82 Lakhs
   b) **Amount spent in Administrative Overheads:** Nil
   c) **Amount spent on Impact Assessment, if applicable:** NA
   d) **Total amount spent for the Financial Year [(a)+(b)+(c)]:** INR 114.82 Lakhs
   e) **CSR amount spent or unspent for the financial year:**

Total Amount Spent for the Financial Year	Amount Unspent (in 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
114.82	NA	-	Nil	-	-

   f) **Excess amount for set off, if any**

Sl. No.	Particular	Amount (in INR Lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	114.82
(ii)	Total amount spent for the Financial Year	114.82
(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

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

Sl. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135(6)	Balance Amount in Unspent CSR Account under section 135(6)	Amount spent in the Financial Year	Amount transferred to a fund as specified under Schedule VII as per second proviso to section 135(6), if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of transfer		
1	2020-21	89.09	0	*89.09	-	-	-	-
2	2021–22	136.97	11.15	**125.82	-	-	11.15***	-

* the amount was spent during the FY 2021-22
** the amount was spent during the FY 2022-23
*** the said amount of INR 11.15 Lakhs may be spent during the FY 2023-24 and/or FY 2024-25 in addition to the mandatory CSR expenditure for the FY 2023-24 and/or FY 2024-25.

8. **Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year:**

No

If Yes, enter the number of Capital assets created/ acquired - NA

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year:

S. No.	Short particulars of the property or asset(s) [including complete address and location of the property]	Pincode of the property or asset(s)	Date of creation	Amount of CSR Amount spent	Details of entity/ Authority/ beneficiary of the registered owner
(1)	(2)	(3)	(4)	(5)	(6)
-	NA	-	-	-	-

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

Not Applicable

For and on behalf of the Board of Directors of
VA TECH WABAG LIMITED

Vijaya Sampath
Chairperson - CSR Committee
(DIN: 00641110)
Place: Gurugram

Rajiv Mittal
Chairman and Managing Director
(DIN: 01299110)
Place: Chennai

Date: May 19, 2023

ANNEXURE – V

FORM AOC-2

[Pursuantto clause (h) of sub-section (3) of Section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014- AOC - 2]

PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH RELATED PARTIES

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, 2023, 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 entered into during the year ended March 31, 2023.
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 are in the ordinary course of business and on arm's length basis and are approved by Audit Committee of the Company.

For and on behalf of the Board of Directors of
VA TECH WABAG LIMITED

Milin Mehta
Director
(DIN: 01297508)

Rajiv Mittal
Chairman and Managing Director
(DIN: 01299110)

Date: May 19, 2023
Place: Chennai

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 reduced from 10.46 Lakhs units in FY 2021-22 to 10.40 Lakhs units in FY 2022-23. A decrease of 0.06 Lakh Units an overall percentage increase of 0.6%. This marginal decrease is due to the various energy conservation measures adopted in both these years and year-on-year improvement is forecasted.

(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:

Wheeling agreement with Wind power generating company is in place and obtained an overall 78% wind power against the total annual consumption.

(iii) The capital investment on energy conservation equipment's:

Nil.

B) Technology absorption

(i)	The efforts made towards technology absorption;	The details on R&D efforts and technology absorption are disclosed in the Managements' 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 346 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 in Lakhs)

	FY 2022-23	FY 2021-22
Earnings in Foreign Currency	59,637	78,506
Expenditure in Foreign Currency	42,805	39,884

For and on behalf of the Board of Directors of
VA TECH WABAG LIMITED

Milin Mehta
Director
(DIN: 01297508)

Rajiv Mittal
Chairman and Managing Director
(DIN: 01299110)

Date: May 19, 2023
Place: Chennai

Management Discussion and Analysis

INDUSTRY STRUCTURE, DEVELOPMENTS, OPPORTUNITIES, THREATS AND INDUSTRY OUTLOOK

Global Water Overview

Life on Earth depends on water. Water is linked to each aspect of development and almost every Sustainable Development Goal (SDG) with significant focus on SDG 6. It is crucial for healthy ecosystems, socio-economic growth, food and energy production, and human survival, which is at the core of sustainable development. About 71% of the Earth's surface is covered with water and the oceans hold 96.5% of it. A burgeoning population, changing lifestyle patterns, rapid urbanisation, speedy industrialisation and other drastic changes in the climate are constantly putting this essential resource for survival under tremendous stress. Thus, reliable water supply is not available to a quarter of the population globally. By 2030, water demand is forecast to increase by 40%.

Source: https://www.theconsciouschallenge.org/ecologicalfootprintbibleoverview/water-global-overview

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Trends in the Global Water Sector

Water Scarcity

Water scarcity is a pressing global issue, impacting 2 Billion people without safe drinking water and 3.6 Billion without proper sanitation. Water is unavailable for every 1 in 3 Africans. Around 400 Million people in Sub-Saharan Africa need access to drinking water. India has a population of around 1.38 Billion people, but over 6% of them lack access to clean and safe water.

Urbanisation

Globally, urbanisation will continue to be a key factor in 2023. An additional 2.5 Billion people from the rural areas are expected to migrate to cities by 2050 to find opportunity to overcome conflict, poverty, and climate change.

Growing Population

Increasing number of people are living in water deficit areas. About a third of the world's population already deals with water stress, or limited access to clean water. It is expected that in a few years, this number will increase to two-thirds of the world's population. To put it into perspective, the quantum of water required for drinking and sanitation becomes even more significant. Ensuring an adequate supply of water for these basic human needs will be a pressing challenge as the population continues to grow.

Industrialisation

Rapid industrialisation not only brings economic growth but also environmental and social challenges, necessitating sustainable practices and responsible approaches. Industries consume 20% of global freshwater and also pollute water with 300-500 Million tonnes of harmful waste annually. To secure a sustainable future, most of them are adopting efficient technologies and management systems to minimise resource usage.

Source: https://www.un.org/waterforlifedecade/green_economy_2011/pdf/info_brief_water_and_industry_eng.pdf

WATER FACTS

About 0.3%

Fresh water is available in this planet

Source: https://education.nationalgeographic.org/resource/earths-fresh-water/

Over 2 Billion people

Do not have access to safely managed drinking water

Source: https://www.cdc.gov/healthywater/global/household-water-treatment.html

1.7 Billion people

Lack basic sanitation

Source: https://www.cdc.gov/healthywater/global/sanitation/index.html

Around 2.3 Billion people

Lack of access to basic hygiene

Source: https://www.cdc.gov/healthywater/global/sanitation/index.html

5 Billion people

Are expected to face water shortage by 2050 with a 9.7 Billion population

Source: https://www.scientificamerican.com/article/5-billion-people-will-face-water-shortages-by-2050-u-n-says/

https://www.un.org/en/global-issues/population#:~:text=Our%20growing%20population&text=The%20world's%20population%20is%20expected,billion%20in%20the%20mid%2D2080s

70% of the world's water withdrawal

Is attributed to the agriculture industry

Source: https://projectworldimpact.com/cause/Water-Scarcity?gclid=Cj0KCQjww4-hBhCtARIsAC9gR3bX7q9AAkwbqGTmLR8M3GWsWosFzCW_9s8GKCACOmlhpYGCLTNv0WgaArihEALw_wcB

1 in 5 developing countries

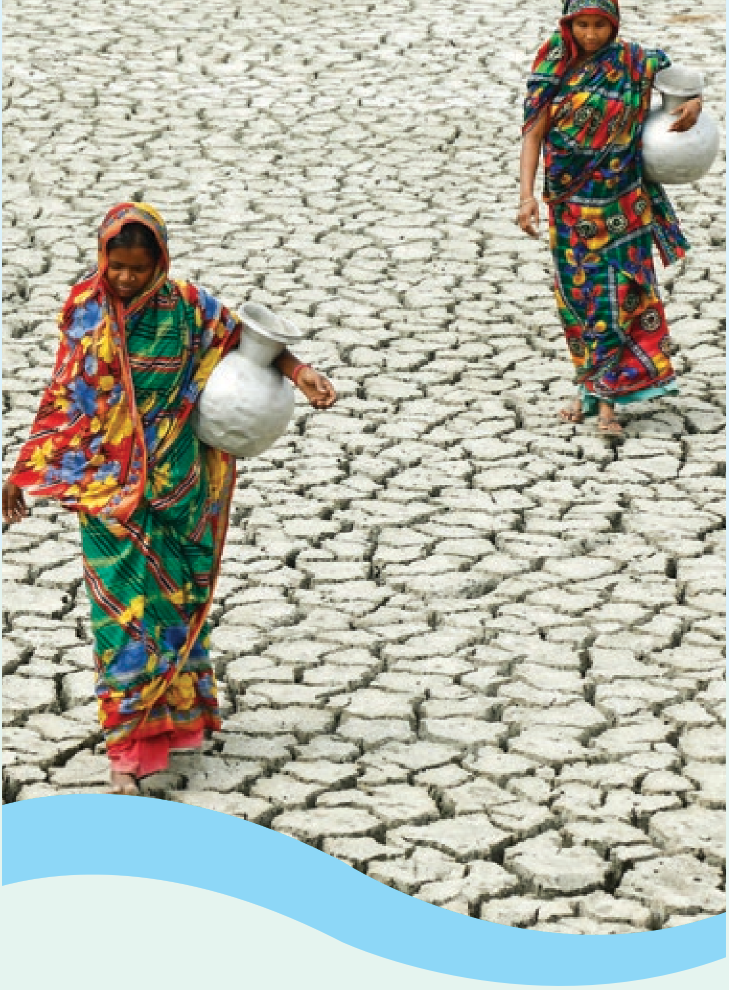
Will face water shortage by 2050

Source: https://www.seametrics.com/blog/future-water/

Total 200 Million hours a day

The duration that women around the world travel to collect water

Source: https://projectworldimpact.com/cause/Water-Scarcity?gclid=Cj0KCQjww4-hBhCtARIsAC9gR3bX7q9AAkwbqGTmLR8M3GWsWosFzCW_9s8GKCACOmlhpYGCLTNv0WgaArihEALw_wcB



INCREASED GLOBAL WATER STRESS

The world's demand for water is expected to surge in the next few decades. Accelerating urbanisation, rapidly growing population, climate change, and economic development are placing pressure on water systems.

More than 2 Billion people (26% of the population) live in water-stressed areas and suffer from a lack of access to safe drinking water and hygiene. Another 3.6 Billion (46%) lack access to safely managed sanitation, according to the UNESCO.

By 2050, the number of countries facing water stress could increase, with a combined population of 4 Billion people - around 40% of the expected global population of 9.4 Billion.

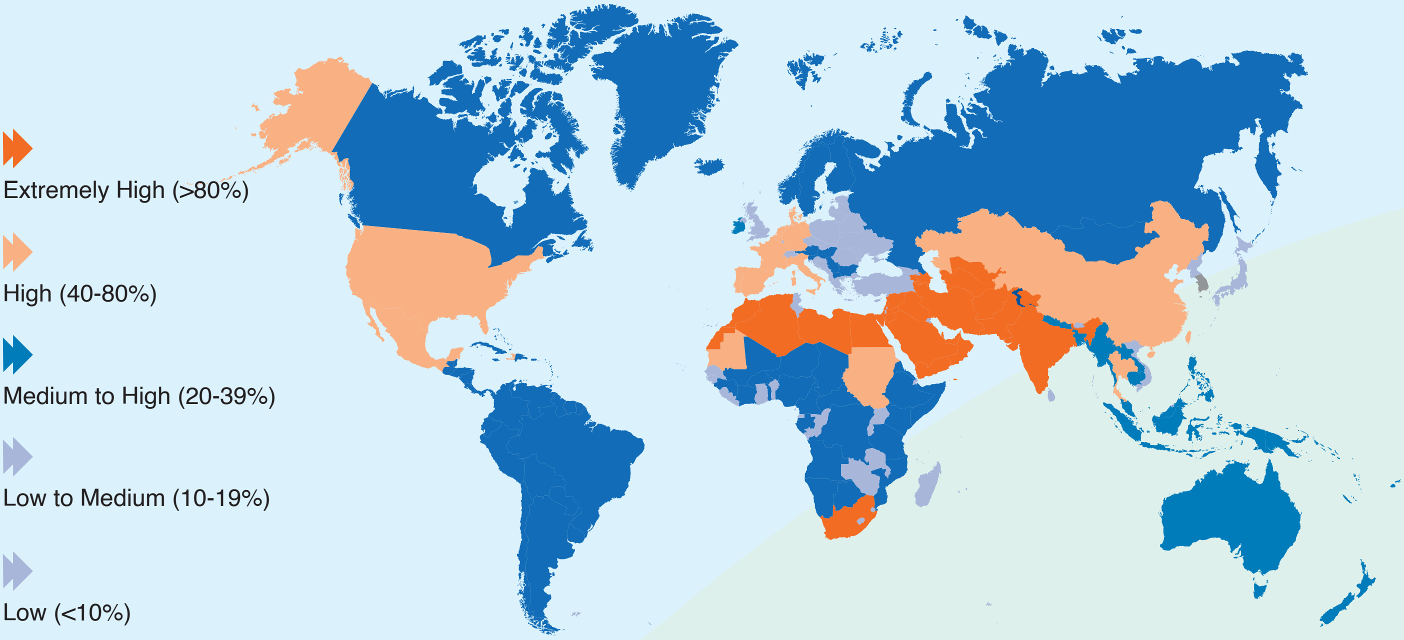
Lack of water continues to be a major cause of concern for many nations. Around 44 countries would face either 'extremely high' or 'high' water-stress levels by 2040.

Source: https://www.statista.com/chart/26140/water-stress-projections-global/, https://www.unesco.org/en/articles/imminent-risk-global-water-crisis-warns-un-world-water-development-report-2023

According to a study by the Organisation for Economic and Cooperative Development (OECD), worldwide water demand is expected to increase by 55%. The foremost demand is anticipated to come from emerging and developing countries and would be driven by key aspects like manufacturing sectors, thermal electricity, and domestic use between 2000 and 2050.

Source: https://www.oecd.org/env/indicators-modelling-outlooks/oecdenvironmentaloutlookto2050theconsequencesofinaction-keyfactsandfigures.htm

Projected Ratio of Water Withdrawals to Water Supply (Water Stress Level) in 2040



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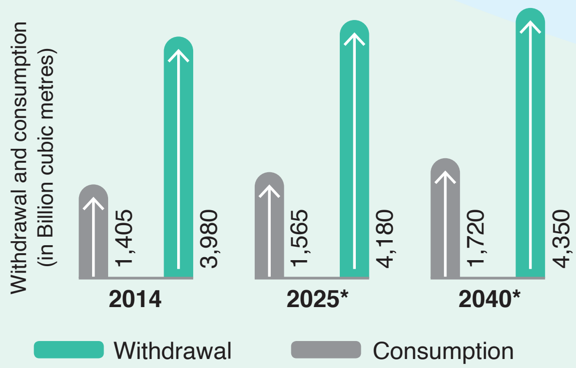
GLOBAL WATER TREATMENT INDUSTRY

The sustainability of water is an absolute necessity. The demand from industries, rising health consciousness, scarcity, climate change, and stringent environment norms, have all contributed to the growth of the global water treatment market over the past few years. This prompted the development of facilities to treat wastewater using innovative technologies before letting it out to the environment.

The main goals of the water treatment process are to improve the quality of the water for the intended end use by removing pollutants and undesired components or by lowering the concentration of hazardous substances. The global wastewater treatment plant market is estimated to USD 125 Billion in 2021 and is expected to rise to USD 179 Billion at a CAGR of 6% over 2021-27.

https://www.arizton.com/market-reports/wastewater-treatment-plant-market

Projected Water Withdrawal and Consumption from 2014 to 2040 (in Billion Cubic Metres)



*Projections based on New Policies Scenario reflect how governments envision energy sector development, considering existing measures, announced intentions, and future legislation.

Source: https://www.statista.com/statistics/216527/global-demand-for-water/

Water withdrawal exceeding consumption is due to inefficient practices, distribution losses, and additional water needs for industry. Unused water includes treated wastewater for non-potable use and untreated wastewater requiring proper management to minimise environmental impact and ensure sustainability.

WATER FACTS

About 80%

Of wastewater worldwide flows back into the ecosystem without being treated or reused

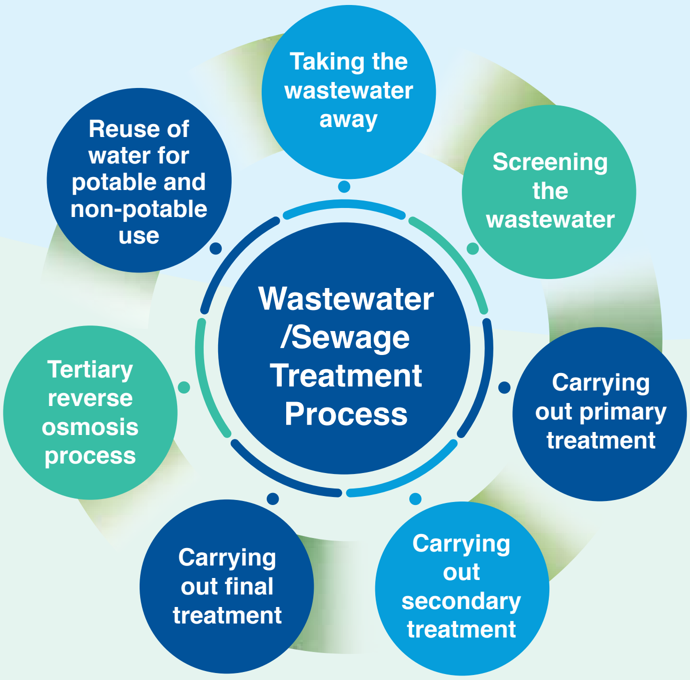
Source: https://www.upkeep.com/learning/stats-and-facts-waste-water/#contamination-facts

Globally, 2.3 Million tonnes

Of sewage, industrial and agricultural waste is discharged into the world's waterways

Source: https://eschooltoday.com/learn/wastewater-factsheet/

GLOBAL WASTEWATER MARKET



WATER FACTS

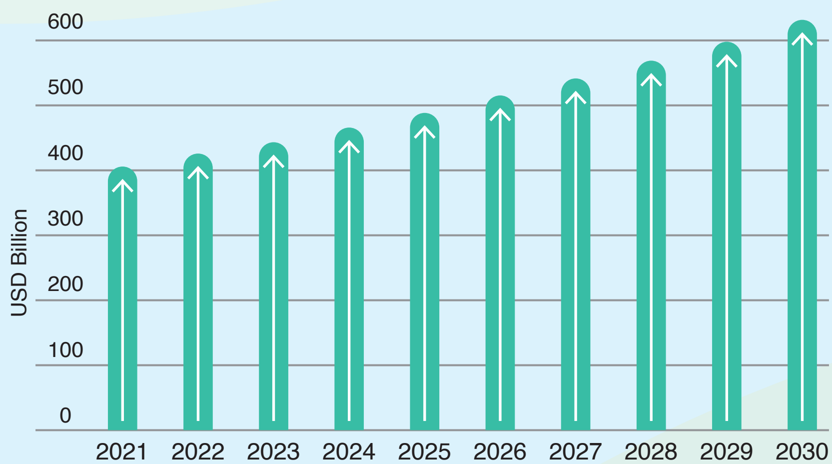
Globally, 44%

Of household wastewater is not safely treated

Source: https://www.unwater.org/water-facts/water-quality-and-wastewater

SWRO & STP, Aramco, Jazan, KSA

Water and Wastewater Treatment Market Size (USD Billion)



The global wastewater treatment market is fully developed in the Asia- Pacific region, Europe, and North America. On the other hand, the Middle East & Africa, and Latin America are high-potential markets with plenty of room for expansion. The wastewater treatment plant market in the Middle East & Africa region was valued at USD 13.05 Billion in 2021 and is expected to grow to 18.56 Billion at a CAGR 6.04%

Source: https://www.researchandmarkets.com/reports/5549993/global-wastewater-treatment-plant-market

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GLOBAL INDUSTRIAL WASTEWATER MARKET

STP, Pahari, Patna, India

The global industrial wastewater market was valued at USD 106.6 Billion in 2021 and is expected to register a CAGR of 5% to cross USD 193.7 Billion by 2031.

The primary factor which is boosting the demand for effective industrial wastewater treatment is increasing environmental concerns coupled with stringent Government regulation. Industrial wastewater treatment is the process of converting wastewater from different industries into usable soft water for processing. The major benefits of using wastewater treatment systems in the industrial sector are waste reduction, energy production, fertiliser production, and the provision of clean and processed water.

The industrial wastewater treatment market in the Asia-Pacific Region is driven by the implementation of a tertiary treatment plant. It represents a resource recovery model, where the entire wastewater undergoes thorough treatment and is subsequently reintroduced into society, specifically to industries for reuse. This approach not only helps in conserving water resources but also promotes sustainable practices by maximising the utilisation of treated wastewater.

Source: https://www.transparencymarketresearch.com/industrial-wastewater-treatment-market.html

GLOBAL DESALINATION MARKET

Water desalination is a technique in which impurities and excess salts are removed from the water, making it safe for various applications. Seawater or brackish water can be purified using the desalination technique. The increasing water demand, urbanisation, and rising population are some of the main drivers for the growing adoption of water desalination plants.

The global desalination market was valued at USD 17.32 Billion in 2023 and is expected to register a CAGR of 9% to cross USD 23.22 Billion by 2027.

The increasing instances of water scarcity and droughts worldwide have made water desalination a reliable alternative choice to meet the rising water demands of the growing population. The Middle East & Africa dominate the global desalination industry. Furthermore, they have opted for large-scale desalination to cut down their dependency on increasingly costly imported water. The Asia-Pacific region is expected to grow due to escalating water scarcity combined with increasing water demand owing to rapid urbanisation.

DESALINATION PROCESS

Primary Desalination Market Growth Drivers

- Growing world population
- Depletion of freshwater resources
- Rapid urbanisation and industrialisation of developing economies
- Requirement of large volume of water in rapidly growing industrial sectors
- Growth adoption in coastal regions for Municipal and Industrial

Major Challenges in the Desalination Market

- High CAPEX involved in setting up a desalination plant
- Disposal of brine
- High energy or operating cost

Source: https://www.desaldata.com

WATER FACTS

About 15,000 plants

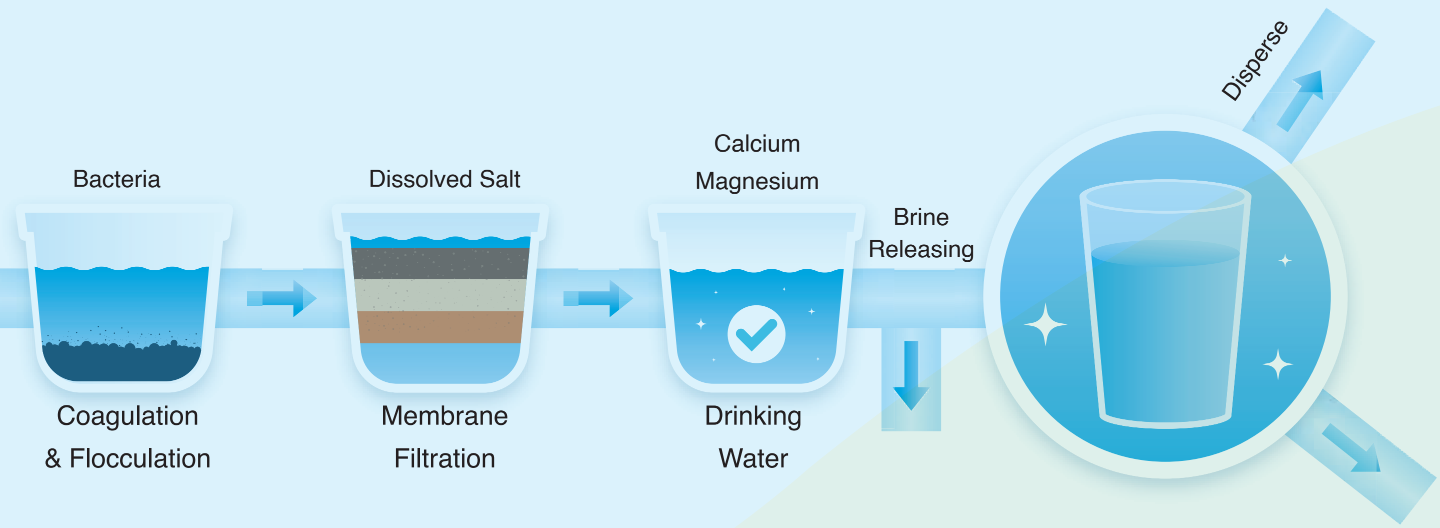
Produce desalinated water, with most of them in the Middle East and North Africa; the largest is in Saudi Arabia

Source: https://www.mcclatchydc.com/2014/03/20/221880/israel-no-longer-worried-about.html

200 Million kilowatt-hours each day

Consumed by desalination plants around the world

Source: https://eschooltoday.com/learn/wastewater-factsheet/



WATER TRENDS ACROSS REGIONS

Asia-Pacific Region

The heavily populated Asia-Pacific region is rapidly advancing in terms of urbanisation, energy production, agricultural development, and industrialisation. All these are crucial elements for the social and economic development of the region. These aspects may act as a driving force that may lead to unfavourable situations of water stress. It is also likely to reduce the capacity of the region to maintain a proper balance in the socio-economic need for water development. Around 1.5 Billion people in rural areas and 600 Million more in urban areas still lack adequate water supply and sanitation.

Climate change-related disasters, which put a persistent strain on groundwater resources, worsen this situation. Unsustainable water use is a serious issue in this region. Groundwater use is estimated to rise to 30% by 2030. Further, the evolution of megacities from cities will put additional pressure on water resources as the development of infrastructure struggles to keep pace.

900 MLD WTP, Lamesa, Philippines

Strategy 2030

The Asian Development Bank (ADB), World Bank, and other multi-lateral institutions have set what is called 'Strategy 2030'. Under this, the ADB is determined to eliminate extreme poverty and expand its vision to accomplish a prosperous, comprehensive, resilient, and sustainable Asia-Pacific region.

WATER FACTS

40% gap

Between water demand and supply is estimated by 2030

Source: https://www.adb.org/news/features/12-things-know-about-water

About 60%

Of the world's population lives in the Asia-Pacific region

Source: https://asiapacific.unfpa.org/en/populationtrends#:~:text=The%20Asia%20and%20the%20Pacific,populous%20countries%2C%20China%20and%20India.

- **Rural Household Water Security:** Growing rural household water security is primarily appropriate to the Asia-Pacific as, even with urbanisation trends, approximately half of the region's households are still in rural communities
- **Economic Water Security:** Economic water security is due to a lack of water infrastructure in general or the poor management of water resources where infrastructure is in place
- **Urban Water Security:** The Asia-Pacific region is quickly growing and urbanising. Asian cities have become important drivers of economic growth. Water plays a vital role in maintaining sustainable, liveable, buoyant, and productive cities
- **Environmental Water Security:** In order to ensure water security and the sustainability of water use in the Asia-Pacific region, it is critical to maintain the health of rivers, wetlands, groundwater systems and track the development of aquatic ecosystems

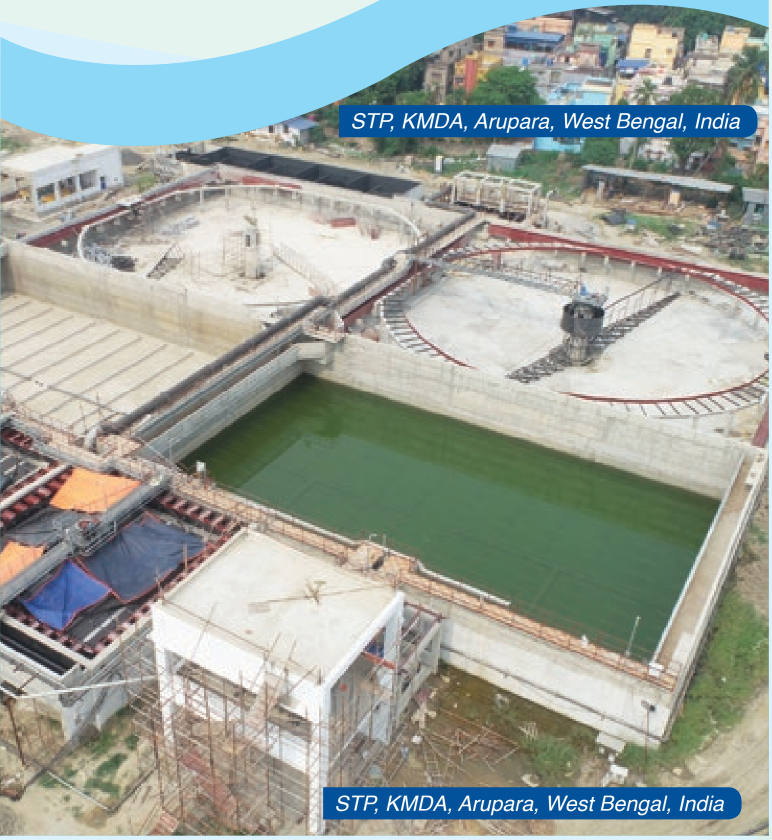
Source: https://www.adb.org/sites/default/files/publication/663931/awdo-2020.pdf

A Step Towards Water Security for Tomorrow

- India aims at revitalisation of 200 water bodies in the capital and upsurge the groundwater level in the surrounding areas
- By 2030, Malaysia is planning to invest in reviving and building new water infrastructure with a tentative investment of USD 3.6 Billion
- The World Bank is supporting Bangladesh with USD 200 Million to help 3.6 Million people with access to hygiene and clean water
- Mongolia plans to invest USD 300 Million for wastewater management at power plants

Source: https://newsonair.gov.in/News?title=Bangladesh-receives-USD-200-mn-from-World-Bank-for-safe-water-and-sanitation-services-in-Rural-areas&id=409558

Source: https://www.adb.org/news/government-mongolia-and-adb-sign-wastewater-treatment-improvement-project-five-additional



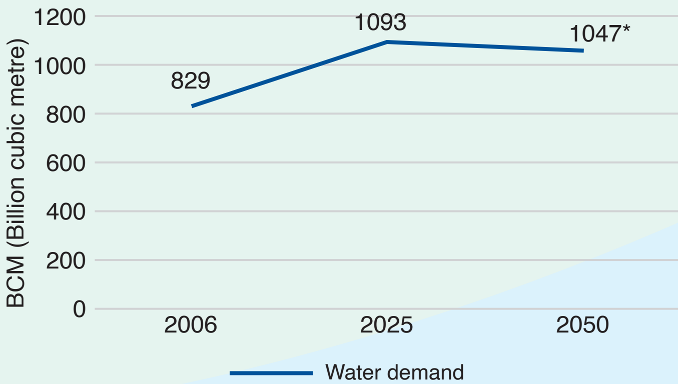
STP, KMDA, Arupara, West Bengal, India

STP, KMDA, Arupara, West Bengal, India

INDIA – THE WATER LAND

Water is a limited resource. With only about 0.3% of the world's water being fresh, India has access to only 4% of the world's freshwater resources. With a population of 1.3 Billion, which is further expected to grow to 1.7 Billion by 2050, India finds itself incapable to serve the vast majority with clean and safe water. It is distressing to note that 91 Million people (6% of the population) lack access to safe water, and 746 Million people (54%) lack access to safely managed household sanitation facilities. As per NITI Aayog, 40% of India's population will not have access to drinking water by 2030.

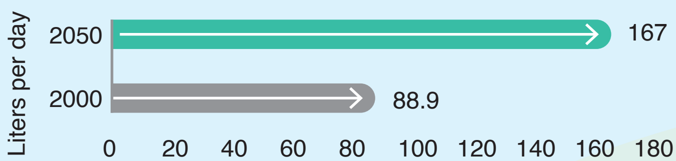
India's Water Demand (2006-2050)



(*1047: Demand declines as population starts declining and water use is more efficient)

Source: https://timesofindia.indiatimes.com/home/environment/how-made-in-india-technology-can-help-save-our-water-bodies/articleshow/58912565.cms

Per Capita Water Use - India



Source: https://timesofindia.indiatimes.com/home/environment/how-made-in-india-technology-can-help-save-our-water-bodies/articleshow/58912565.cms

Water supply in India comes from two primary sources: rivers and groundwater. However, the rivers are shrinking because of pollution and industrialisation, while the population keeps growing, pushing us towards overuse of groundwater resources. Groundwater is one of the most important sources for irrigation and domestic water supply in the rural and urban areas. However, overexploitation of this valuable resource has led to its depletion.

Available Water Resources

4,000 BCM
Precipitation received

1,869 BCM
Available water

1,123 BCM
Usable water

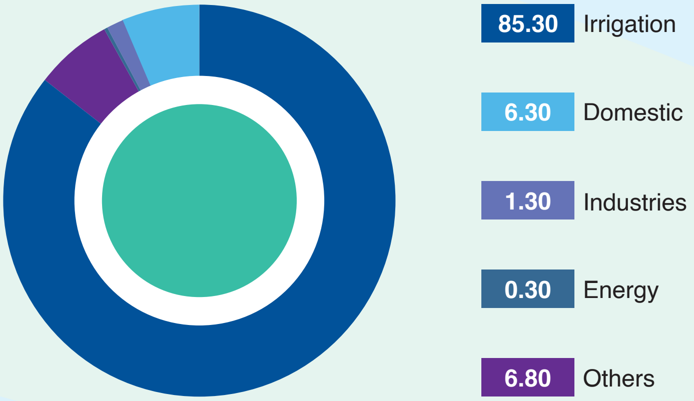
395 BCM
Ground water

728 BCM
Surface water

About 53.3% of total precipitation is lost due to evapotranspiration which leaves a balance of 1869 BCM of water.

Total utilisable potential is limited to 1123 BCM.

Freshwater Utilisation (%)



The agriculture sector is considered to be the largest freshwater user in the country.

Making the Country from Water Stressed to Water Secure

Over the last few years, the Indian Government has been ambitiously investing and promoting the water sector; with a vision to make the country 'Water Secure' by 2030.

Allocated USD 11.86 Billion for the water sector in FY 2023-24 Budget.

WATER FACTS

India has 4%
Of the world's fresh water against 16% of global population

Source: https://theberkey.com/blogs/water-filter/facts-of-about-water-crisis-in-india

21%
Of communicable diseases are connected to hazardous water

Source: https://theberkey.com/blogs/water-filter/facts-of-about-water-crisis-in-india

Nearly 25%
Of the world's groundwater is drawn by India

Source: https://givingcompass.org/article/the-water-crisis-in-india-fast-facts

163 Million
Indians need access to safe drinking water

Source: https://theberkey.com/blogs/water-filter/facts-of-about-water-crisis-in-india

India faces 50%
Water insufficiency by 2030

Source: https://theberkey.com/blogs/water-filter/facts-of-about-water-crisis-in-india

Nearly 80%
Of India's freshwater is used for agriculture

Source: https://theberkey.com/blogs/water-filter/facts-of-about-water-crisis-in-india

WASTEWATER GENERATION

Wastewater treatment refers to the elimination of contaminants from sewage or wastewater to make it recyclable, reusable, and safe for the environment. After the treatment, the wastewater is discharged into water bodies without any risk of pollution.

The increasing environmental compliances, rising water pollution, scarcity of water, and demand for wastewater services from different industries drive the growth of the market. The Wastewater Treatment Plant market size was estimated to be USD 15 Billion in 2021 witnessing a CAGR of 6.9% over 2021-26 to reach USD 21 Billion.

The Way Forward – Governmental Schemes in India

Water management has received significant attention from the Indian Government. Initiatives like Aatmanirbhar Bharat and ‘Make in India’ are both heavily reliant on the connectivity, accessibility, and availability of water. The Government has launched a series of programmes to safeguard water security and sustainability. Some of these are as follows:

AMRUT 2.0

(Atal Mission for Rejuvenation and Urban Transformation)

AMRUT 2.0 started with an outlay of USD 36.40 Billion, which will promote the circular economy of water through development of a City Water Balance Plan (CWBP) for each city focussing on the recycling/reuse of treated sewage, rejuvenation of water bodies and water conservation.

अमृत
Atal Mission for Rejuvenation and Urban Transformation

The Objectives of AMRUT 2.0

- Provide 100% water supply to all households in around 4,700 ULBs (Urban local bodies)
- Rejuvenation of water bodies
- Development of gardens and green spaces
- 100% coverage of sewage/sewage management in 500 AMRUT cities

By 2030, SDG 6 intends to significantly improve water usage efficiency across all sectors, ensure sustainable freshwater withdrawals, and significantly reduce the number of people who experience water scarcity.

Progress So Far

Projects worth
INR 27,000 Crore
will be implemented

Source: https://www.drishtiias.com/daily-updates/daily-news-analysis/2nd-phase-amrut-mission

Project targets
2.68 Crore water tap connections
2.64 Crore sewer connections

Source: https://www.pgurus.com/amrut-scheme-nearly-134-lakh-water-tap-connections-102-lakh-sewer-septage-connections-provided/#:~:text=AMRUT%20 2.0%20was%20launched%20by,Minister%20on%20October%201%2C%202021

JAL SHAKTI ABHIYAN

Catch the Rain (JSA: CTR)

The Government launched the '*Jal Shakti Abhiyan*: Catch the Rain' campaign as a *Jan Andolan* (mass movement) to encourage water conservation at the grassroots level via the active participation of people.

The Objectives of Jal Shakti Abhiyan

- Water conservation and rainwater harvesting
- Renewal of traditional and other water bodies/tanks
- Reuse and renewal of bore wells
- Watershed development
- Intensive afforestation

Water Conservation & Rain Water Harvesting

8,99,162
No. of works completed

3,30,684
Ongoing works

Progress So Far

INR 97,277.67 Crore
The budget outlay of Jal Shakti

JAL JEEVAN MISSION (JJM)

The Government of India in partnership with the states has implemented Jal Jeevan Mission (JJM) with an outlay of INR 4,390 Crore to make provision for tap water supply to every rural household.

Status of Tap Water Supply in Rural Homes

194 Million
Total households

32 Million
With tap connections in August, 2019

114 Million
With tap connections in March, 2023

From 16.66% in 2019 to 59.10% in 2023

The objective of Jal Jeevan Mission

- Jal Jeevan Mission will resolve the lack of tap water connections
- Development of piped water supply infrastructure, reliable supply source and treatment plants
- Rainwater harvesting

Progress So Far

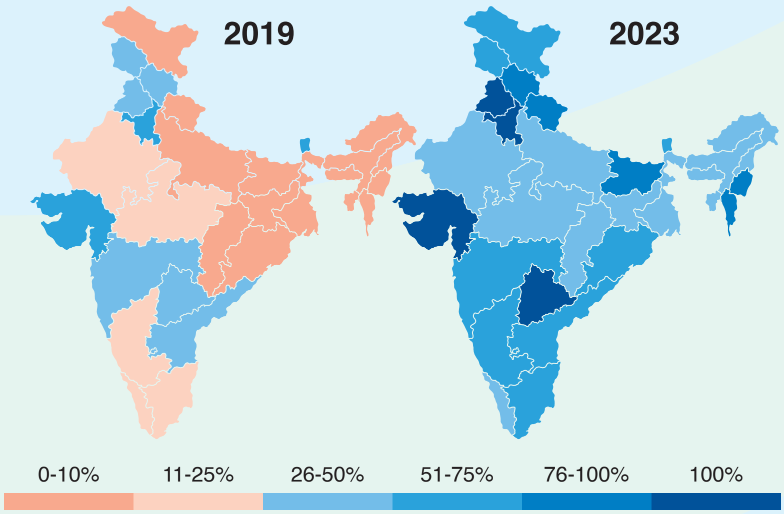
8.62 Crore

Are said to have potable tap water

Reached 100% homes

With running water from the tap in rural areas of states like Goa, Telangana, the Andaman and Nicobar Islands, and Puducherry

Tap Water Supply in Households



Source: https://jaljeevanmission.gov.in/

SWACHH BHARAT MISSION - URBAN 2.0

The Swachh Bharat Mission aims to achieve the vision of 'Garbage Free Cities' over the next five years. The outline emphasises on key focus areas of source segregation, collection, transportation, and processing of waste, plastic waste management, and remediation of legacy dumpsites to truly transform the urban landscape of India.

Progress So Far

INR 1,41,600 Crore

The budget outlay in SBM - U 2.0

Source: https://www.nextias.com/current-affairs/30-04-2022/swachh-bharat-mission-urban-20

ATAL BHUJAL YOJANA

The Atal Bhujal Yojana has been launched in the water-stressed states of India. This includes Gujarat, Haryana, Karnataka, Maharashtra, Uttar Pradesh, Rajasthan, and Madhya Pradesh where the groundwater levels are low.

In total, the scheme will cover 78 districts, 193 blocks, and more than 8,300 gram panchayats across these states.

The Objectives of ATAL BHUJAL YOJANA

- Boost groundwater levels and create sufficient water storage for agricultural purposes
- Focus on the renewal of surface water bodies to increase groundwater levels, especially in rural areas
- Enable Indian states to recharge groundwater sources and ensure efficient use of water by involving people at the local level

Progress So Far

INR 6,000 Crore

The total outlay in the ABY scheme

Source: https://indialends.com/government-schemes/atal-bhujal-yojana

NAMAMI GANGE PROGRAMME

The Namami Gange Programme is an Integrated Conservation Mission, approved as a 'Flagship Programme' by the Union Government in June 2014. The National Mission for Clean Ganga was initiated with a budget of USD 2.43 Billion with the objective of rejuvenating the Ganga basin, which has gone on to become a perennial attraction for many countries that have expertise in river rejuvenation.

43 Projects under the mission were supported by the World Bank funding.

NMCG 2.0 is initiated with an outlay of USD 2.68 Billion.

424 Total projects

132 Under progress

16 To be tendered

243 Completed

33 Tendering

Progress So Far

99 Sewage Projects

Completed in the states of Uttarakhand, Uttar Pradesh, Bihar, Jharkhand, Delhi, West Bengal, Himachal Pradesh, Haryana, and Rajasthan

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

NATIONAL RIVER CONSERVATION DIRECTORATE (NRCD)

The NRCD aims to reduce the pollution load in rivers through various pollution abatement works, thereby improving their water quality. It is an initiative by the Indian Government to address the challenge of river pollution.

16
States covered

INR 3,821.06 Crore
Total expenditure

34
Rivers covered

INR 2,652.89 Crore
Funds released by the GOI

2,677 MLD
Pollution load tackled

The Objectives of NRCD

- Setting up of STPs for treating the diverted sewage
- Construction of low-cost toilets to prevent open defecation on river banks
- Construction of electric crematoria and improved wood crematoria to conserve wood
- River front development works, such as the improvement of bathing ghats

Progress So Far

34 Rivers
Covered under the plan

15 States
Covered under the plan

INR 4,801.57 Crore
Covered under the plan

Source: https://nrcd.nic.in/writereaddata/FileUpload/23617950NRCP%20 Backgrpund.pdf

NATIONAL INFRASTRUCTURE PIPELINE (NIP)

The National Infrastructure Pipeline (NIP) aims to invest in infrastructure across sectors such as water, sanitation, energy, and social and commercial properties and enabling the economic development of the country.

Progress So Far

INR 108+ Lakh Crore
Total investment in NIP

8,964
Projects under development

Source: https://www.pib.gov.in/PressReleseDetailm.aspx?PRID=1894919#:~:text=National%20Infrastructure%20Pipeline,-The%20government%20launched&text=The%20NIP%20currently%20has%208%2C964,Monitoring%20Group%20(PMG)%20portals.

60%
Of India's districts have been declared critical for groundwater

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

By 2050
The per capita availability of water at the national level will drop by 40-50% due to rapid population growth and commercial use

Source: https://sustainabilityzero.com/infographic_water/

MISSION AMRIT SAROVAR

Mission Amrit Sarovar was launched on National Panchayati Raj Day on April 24, 2022, as part of the Azadi ka Amrit Mahotsav celebration. The objective of this mission is to conserve water for the future. The mission is also aimed at developing and rejuvenating 75 water bodies in each district of the country.

Progress So Far

53,050
Ponds are under construction

38,503
Ponds to be rejuvenated

Source: https://pib.gov.in/PressReleasePage.aspx?PRID=1885211

NATIONAL FRAMEWORK ON RECYCLE & REUSE - SRTW

Widespread and Safe Reuse of Treated Water in India that reduces the pressure on scarce freshwater resources, reduces pollution of the environment and risks to public health, and achieves socio-economic benefits by adopting a sustainable circular economy approach.

5 States have already Come Up with Time Bound - SRTW POLICY

Gujarat	To reuse 70% TWW by 2025 & 100% by 2030
Haryana	To reuse 60% treated used water (TUW) by 2025 & 100% by 2033
Tamil Nadu	To reduce minimum 25% of freshwater consumption in local water body
Karnataka	100% recycle and reuse of treated wastewater in phased manner
Rajasthan	Up to 50% by March, 2024 & Above 50% by March, 2026

Other Government Initiatives

ARTH GANGA

Arth Ganga implies a sustainable development model with a focus on economic activities related to Ganga.

Government is Working on Six Models under the Programme:

- Zero Budget Natural Farming, which comprises chemical-free farming for 10 km on both banks of the river and elevation of cow dung as manure through the Govardhan Yojana
- The second phase is the monetisation and reuse of sludge and wastewater, which seeks to reuse treated water for irrigation industries, and revenue generation for urban local bodies (ULBs)
- The third phase is the chances for livelihood generation by creating haats where people can sell local produce, medicinal plants, and Ayurveda
- Fourth phase is to upsurge public contribution by increasing coordination among the stakeholders associated with the river
- The fifth model seeks to encourage cultural heritage and tourism in and around the Ganges through boat tours, adventure sports, and yoga activities
- The final model strives to encourage institutional building by empowering local administration for improved water governance

THE MIDDLE EAST AND AFRICA (MEA) REGION

The Middle East and Africa (MEA) region is considered the most water-scarce region of the world. Home to 6.3% of the world's population, it contains only 1.4% of the world's renewable fresh water. As the region's population continues to grow, per capita water availability is set to fall by 50% by 2050. The MEA region may see more frequent and severe droughts and floods.

The MEA region is also a global hotspot of unsustainable water use, especially groundwater. It has the greatest anticipated economic losses from climate-related water scarcity, estimated at 6-14% of GDP by 2050.

Strategies for Increasing Water Supply

Most Governments have conventionally focussed on increasing access to fresh water by locating, developing, and managing new sources, despite the high costs.

- **Desalination:** Desalination provides an alternative and reliable source of water
- **Transporting Water:** There are several ways to transport water from one region to another
- **Qanats and Rainwater Harvesting:** Qanats, or chain wells, are an old-style method for bringing water to the surface
- **Sequential Water Use:** Sequential water use comprises capturing and treating water that has been used in one sector so that it can be directed to other uses
- **Water Reallocation:** For most MENA countries, reallocating water away from agriculture and towards the domestic and industrial sectors may be a critical way to adjust to water scarcity
- **Efficient Technologies:** Better technologies may help reduce long-term costs and improve efficiency
- **Water Reuse and Recycle:** The current trend is going towards a circular economy and water reuse for industries would:
  a. Ensure water security for the industries
  b. Divert fresh water for domestic use to that extent

Source: https://www.worldbank.org/en/topic/water/publication/beyond-scarcity-water-security-in-the-middle-east-and-north-africa

WATER FACTS

1,000 BCM

Of renewable fresh water per person per year

Source: https://www.prb.org/resources/finding-the-balance-population-and-water-scarcity-in-the-middle-east-and-north-africa/

Only 1.4%

Of the world's renewable fresh water

Source: https://www.prb.org/resources/finding-the-balance-population-and-water-scarcity-in-the-middle-east-and-north-africa/

82%

Of wastewater is not recycled, offering a massive opportunity to meet water demand

Source: https://www.worldbank.org/en/topic/water/publication/beyond-scarcity-water-security-in-the-middle-east-and-north-africa

By 50%

Per capita, water availability is set to fall by 2050

Source: https://www.futurewater.eu/projects/mena/

sustainable solutions. for a better life.

EUROPE

Freshwater resources are essential for human health, nature, and the functioning of economies and societies. However, water scarcity is a complex phenomenon. The combination of pollution, droughts, and water scarcity is no longer considered rare or extreme in Europe. Approximately 20% of European land and 30% of the people are currently affected by water scarcity

Water scarcity is predicted to become more prominent as climate changes. Regions across Europe are already seeing drastic impact in the form of frequent droughts and changing weather patterns such as rainfall and storm.

WATER FACTS

17%

Population of Europe faces a high risk of water scarcity by 2050

Source: https://wwf.panda.org/wwf_news/?6214416/17-of-Europes-population-faces-high-risk-of-water-scarcity-by-2050

13% Gap

Could face high to extreme water scarcity risks by 2050

Source: https://wwf.panda.org/wwf_news/?6214416/17-of-Europes-population-faces-high-risk-of-water-scarcity-by-2050

Sidi Bou Ali WWTP, Tunisia

Polgahawela WTP, Sri Lanka

VA TECH WABAG

One of the leading players and geographically diverse water technology companies, VA TECH WABAG LIMITED (hereafter referred to as 'the Company' or 'WABAG' or 'We') is consciously promoting circular future and directing all its efforts towards water management. Its rich legacy has been continuing since 1924.

With a strong focus on R&D, backed by cutting-edge technology, we have evolved as system specialists. We are the leaders in the water space providing designing, engineering, and procurement, construction, and O&M services to meet the demands of the municipal and industrial segments.

The Company plays a critical role in optimising the use of water. With over 6,500 projects executed across 25+ countries, WABAG is making a sustainable contribution to millions of people across the world. Serving the Indian sub-continent, Middle East and Africa, the European region, and South-East Asian markets, the Company has been facilitating access to clean and safe water to over 88 Million people. We have been ranked 3rd globally by the Global Water Intelligence ('GWI'), United Kingdom for ensuring safe and clean drinking water and a healthy environment for over 88 Million people.

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, Kingdom of Bahrain, Egypt, Libya, Nigeria, Sultanate of Oman, State of Qatar, UAE, Namibia, Tanzania, Tunisia, Senegal

EUROPE CLUSTER
Austria, Czech Republic, Germany, Romania, Switzerland, Turkey, Russia

Competencies

CREDIBLE
- Proven track record of handling large and complex projects
- 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 their credit

CAPABLE
- Presence across various business formats EPC, EP, 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 advanced technologies
- Emphasis on providing EPC and O&M services to municipal and industrial clients primarily across the oil & gas sector
- Expertise in providing complex water technology solutions to the oil & gas and food & beverages sector

COMPETITIVE
- Offering world-class technology at competitive prices
- A unique mix of talented professionals and an 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, neutralisation demineralisation and condensate polishing

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


150 MLD STP, K&C Valley, Bengaluru, India

STP, Doha, State of Qatar

BUILDING EXCELLENCE WITH EXPERIENCE

- India's largest seawater RO plant at Nemmeli SWRO, Chennai, India on EPC basis, meant for 100% potable use
- Desalination plant for supply of potable water with a capacity of 1,92,000 m^3 /day in Muscat, Oman
- World's first wastewater treatment reuse plant, converting effluent into ultra-pure demineralised water at Panipat, India
- Energy-neutral municipal WWTP at Sanilurfa, Turkey with a capacity of 1,44,833 m^3 /day
- Asia's largest wastewater treatment plant for the 20 Million tonne Reliance Refinery at Jamnagar, India
- Turnkey completion of 400 MLD drinking water treatment plant, Kavaklidere, Izmir, Turkey
- World's first and unique direct potable water reuse plant, the new Goreangab WTP at Windhoek, Namibia
- Al Madina Al Shamaliya 40 MLD Sewage Treatment Plant, Bahrain
- 54 MLD Effluent Treatment and recycling plant, for Indian Oil Corporation Limited, Paradip, Odisha, India
- 102 MLD Industrial Effluent Treatment Plant for PETRONAS RAPID, Malaysia
- 140 MLD Sewage Treatment Plant, Dinapur, Varanasi, India
- 32 MLD Drinking Water Treatment Plant, Dambulla, Sri Lanka
- 110 MLD Sewage Treatment Plant, Kodungaiyur, Chennai, India
- 14 Sarneraatal WWTP, Alpnach, Switzerland

India Cluster

Key Highlights

- WABAG-led joint venture secured DBO order towards South East Asia's largest seawater desalination project with a capacity of 400 MLD, worth about INR 4,400 Crore, funded by JICA
- WABAG forays into Bangladesh with a World Bank and AIIB funded DBO order worth about INR 800 Crore
- WABAG signed concession agreement for 40 MLD Recycle and Reuse TTRO plant in Ghaziabad
- WABAG secured a repeat order worth about INR 430 Crore from Reliance Industries Limited for a 53 MLD Desalination plant at Jamnagar

Middle East & Africa (MEA) Cluster

Key Highlights

- WABAG expands Global footprint with a new JICA funded, consortium order for 50 MLD desalination project in Senegal, worth about EUR 146 Million

Europe Cluster

Key Highlights

- WABAG secured industrial wastewater treatment order in Romania worth about INR 260 Crore (EUR 30 Million)

INTERNATIONAL ENGINEERING CENTRE (IEC)

WABAG's International Engineering Centre (IEC) 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 a 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 Reliance, SIBUR (AGCC), IOTL, Marafiq, Kuwait National Petroleum Company, Aramco, Dangote, HMEL, SSEM, SONEDE, PETRONAS, and Thai Oil.

IEC continues to support engineering for WABAG office in other clusters from both onshore and offshore. IEC has always focused on innovation 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 2022-23 stood at its highest at INR 13,200 Crore.

On a consolidated basis, the Company's income stood at INR 3,014 Crore in FY 2022-23, as compared to INR 3,011 Crore in FY 2021-22. Profit after tax for FY 2022-23 stood at INR 10.93 Crore (after exceptional items).

On a standalone basis, the income for FY 2022-23 stood at INR 2,385 Crore as compared to INR 2,171 Crore in FY 2021-22.

Profit After Tax for FY 2022-23 stood at INR 1.27 Crore (after exceptional items).

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

- Debtors Turnover ratio: 1.38 times
- Interest Coverage ratio: 11.94 times
- Inventory Turnover ratio: 6.72 times
- Current ratio: 1.33 times
- Debt Equity ratio: 0.14 times
- EBIDTA (Operating Profit Margin) and Net Profit margin stood at 12% and 7.7% respectively and return on Net Worth at 14.7% for the FY 2021-22.

The reasons for significant changes can be referred in the notes Financial Statements forming part of this Annual Report

Internal Control Systems and their Adequacy

WABAG's internal financial control framework has been established to ensure adequacy of design and operating effectiveness of operational, financial and compliance controls. The effectiveness of the internal controls is regularly reviewed and monitored by the Corporate Assurance Department of the Company and the Internal Auditors during the audit process.

WABAG has put in place, adequate policies and procedures, which play a pivotal role in the deployment and monitoring of the internal controls. These controls and processes have been implanted and integrated with IFS (An ERP system), which has been implemented across WABAG. The Corporate Assurance Department of WABAG continuously assesses opportunities for improvement in all business processes, policies, systems and controls, provides its recommendations, which add value, and strengthen WABAG's internal control environment. Non-conformities, if any, are addressed through systemic implementation of remedial and preventive action as appropriate taken by the respective functions. Positive action is initiated to ensure compliance with upcoming regulations through deployment of cross-functional teams. Emphasis is always placed on computerisation of controls within the process to minimise non-conformities and exclusions. Respective Cluster CEOs are responsible to ensure compliance with the policies and procedures laid down by the management. It helps WABAG to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and corporate governance processes.

A BRIEF ON HUMAN CAPITAL (MATERIAL DEVELOPMENTS IN HUMAN RESOURCES)

HR being one of the key strategy partners, contributed comprehensively to the organisational development over the years at WABAG.

At WABAG, our people are our priority. As an effort towards empowering its employees, the following initiatives were taken and implemented by WABAG throughout FY 2022-23.

Extra Milers Programme (EMP)

This 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 get a sponsorship to a premier institute for a week long basic leadership skills training programme followed by an individual development plan that will facilitate their growth on fast track.

Young Entrepreneur Programme (YEP)

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

Leadership Excellence Programme (LEX)

A programme intended to identify potential talent among managers and deputy general managers of the Company and develop functional/business managerial capabilities. The objective is to build a senior-level leadership pipeline.

Emerging Leader Programme (ELP)

Though we have YEP in the middle management level, only four or five members get selected through this programme. Hence, to broaden the base, we have initiated another programme called the Emerging Leader Programme or ELP in the age group of 29 to 40 years. The objective is to identify emerging talents in the middle management level and build leadership capability.

Hi-Pot Programme

This programme aims to strengthen the leadership pipeline of our organisation. We have developed a very strong programme in this regard under the Global Talent Architecture framework, wherein we are identifying the

Hi-Potential (Hi-Pots) leaders who can take on higher responsibilities and larger roles. Through this, we are covering various aspects of leadership management such as individual development plans, succession planning and their periodic and continuous monitoring through focussed mentorship from business leadership and the talent managers within HR.

QUALITY, HEALTH, SAFETY AND ENVIRONMENT (QHSE)

Quality

At WABAG, we constantly focus 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 and continuously strive for excellence in all processes.

We focus on quality products, service, and performance at right first time.

We have obtained Seamless Re-certification for our Integrated Management System (ISO 9001:2015, ISO 14001:2015, ISO 45001:2018) from an external certification body which is significant.

We have rolled out a competency enhancement programme for our quality professional through a structured mapping and training programme.

We are moving ahead with secured way of storing, & retrieving the data through a data management system (WRENCH application).

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

For us, client feedback is extremely important and for this reason, we conduct a client satisfaction survey, every year.

During the year, we saw a remarkable improvement in our customer service performance. This was due to the stringent policies we have implemented to provide quality services.

Mock drill at WABAG House

With the help of professional experts and a proactive approach, we constantly strive to deliver superior quality at every stage of the project.

Health and Safety

The Health, Safety and Environmental Management System (HSEMS) at WABAG reflects our commitment to protect the environment by providing an appropriate working environment, and protecting the health and safety of personnel, including employees, contractors and visitors in line with the strategy of ISO 45001:2018 certification. The HSEMS takes cognizance of interested parties and focusses on compliance with applicable legislations in the regions where we operate. It includes well-defined policies, procedures and also strives to keep interested parties well-informed, trained and committed to our HSE process. We have developed operational control procedures to be followed at the site to enable a safe work environment and also take care of workers' safety.

Medical camps are being conducted to ensure the health and safety of the employees and workers. We continue to target improvement through training programmes. Various initiatives like campaigns for first aid, general health check-up for all the employees and workers, heat stress prevention to promote awareness and prevent illness have been undertaken at regular intervals. Essential health-related topics are shared with employees and workmen via toolbox talk on a daily basis. We strive for the highest standards of safety to achieve our objective for an accident free environment. Several health camps are being 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.

Environment

WABAG is ISO 14001:2015 system certification, where we follow Plan-Do-Check-Act (PDCA cycle). We have vision on environment 'Sustainability Solution, for a better life' whereby natural resources are reduced and optimised, preventing pollution, waste management, utilisation of resources, disposal method, few other aspects and also providing awareness to the communities.

Focussing on ESG: We integrate environmental considerations in every aspect of our operations, driving the transition towards a sustainable world. We reduce, recycle and reuse water through demand-side measures and implement efficient technology to enable freshwater conservation. The state-of-the-art sewage treatment plants of tertiary treatment capabilities enable zero discharge of wastewater from our campuses. We initiated lake rejuvenation projects near our campus, that enhances water availability in the surroundings, with additional expected benefits such as improved health, reduced flooding and enhanced biodiversity.

We are committed towards legal compliance related to the environment and waste management: WABAG adopts the principles of the Circular Economy, based on Refuse, Reduce, Reuse, Recycle and Recovery approach. We seek to uphold our ambition of 'zero liquid discharge and safe waste disposal method through water technology process.

- We conduct training for all employees and workers related with ESHS aspects like World Bank guidelines standards, IFC performance standards, ADB safe guard policies, etc every week from Head Quarters
- All our sites and plants are inspected by an 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

Safety walk at Public Utility Board Choa Chu Kang waterworks, Singapore

INFORMATION TECHNOLOGY

Ongoing efforts are directed towards making WABAG digital and more secure by adopting various digital initiatives such as the following:

- Upgradation of technological components of ERP including IT infrastructure, database & applications.
- Implemented mobile-enabled geotracking & geofencing system for real-time tracking of field workforce
- Implemented advanced backup solutions for safeguarding business-critical data implemented
- NextGen antivirus solutions with advanced features to safeguard the business from IT security threats
- Upgraded the IT infrastructure – Virtualisation environment
- Automated BOQ control for engineering function
- Implemented Zero-Trust Solution to enhance the Security Posture
- Upgraded common file storage infrastructure

WABAG
sustainable solutions. for a better life.

RESEARCH & DEVELOPMENT

CERAMOZONE®

The CERAMOZONE® pilot plant is a combination of the CERAMOPUR® pilot plant and the Ozonisation 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 and other miscellaneous constraints it could not be done until FY 2022-23. Now, it is planned to continue in FY 2023-24. This process (advanced multiple barrier system) has a high market potential for potable water reuse in the medium term (India, South Africa, Botswana, Namibia, Brazil, USA, Singapore, Australia, etc.). Patents have been granted for this process (e.g. the Namibian patent in September 2022).

CERAMOPUR® study at ICT Mumbai

The Study is in progress since February 2019. In-house ceramic membranes were synthesized at ICT Mumbai. Characterisation and the fouling study were done for the fresh membranes. Studies on Petroleum refinery wastewater were completed. The studies on textile effluent and secondary treated sewage were also completed. A research article based on a petroleum wastewater study was submitted to the Korean Journal of Chemical Engineering. A patent based on the preparation and synthesis of novel Ceramopur membranes and petroleum refinery effluent treatment was filed at the Chennai patent office on 2nd Jan 2023. A paper based on petroleum refinery effluent was presented at the 13th IWA International Conference on Water Reclamation and Reuse at Chennai, January 15-19, 2023. These results were also presented at the 15th Process Engineering Forum. The manuscript based on textile effluent studies is submitted to Water and Environment Journal. The manuscript writing based on secondary treated sewage is in progress right now. Experiments based on Steel effluent studies are in progress at ICT, Mumbai.

DAMOPUR®

DAMOPUR® is WABAG's technology for the Deammonification process (conversion of ammonia to nitrogen gas) in side and mainstream. Initially, it was proposed to start a pilot study on DAMOPUR® in India at Perungudi STP and some detailed engineering work has also been started based on the basic engineering provided by internal experts. However, based on the results from a Ph.D. study report at EAWAG and the challenge of inhibition of nitrite oxidising bacteria (NOBs) in the nitritation upstream of the ANAMMOX reactor, it has been decided to start first a bench scale study instead of a pilot scale study (in Egypt or in India).

Membrane Distillation (MD) – Crystallisation

A small-scale pilot plant with one tube combined HX-MD Module was built in 2021. First crystallization tests with sodium chloride solution and fractionated crystallization with $CaCl_2$ and NaCl were also done in 2021. Also, real saline wastewater was tested (salty highway runoff; first half of 2022). The test results from the first phase were evaluated and the planning for the next phase and small plant adaptations were completed in the second half of 2022. First tests with fly ash leachate have been started and showed promising results. In 2023, it is intended to conduct also tests with metallurgical effluents. A paper was successfully presented atthe13thIWA International Conference on Water Reclamation and Reuse at Chennai, January 15-19, 2023 ('Chennai 2023'); it was also presented at the 14th and 15th WABAG Process Engineering Forums. Publications in various journals (e.g. IWA Journal of Water Reuse). This patented new technology has the potential of a game changer technology within Zero Liquid Discharge/Minimum

Liquid Discharge (ZLD/MLD) processes to be started at Romanian or Indian industry.

Hard Chemical Oxygen Demand (COD)

Hard COD removal by the BIOZONE® process is an important add-on as the COD discharge has been limited for industries, viz. IOCL Paradip, RIL Dahej, HMEL, etc. The first pilot tests were conducted at HMEL Bathinda, Punjab and will be continued at the Chennai Koyambedu Water Reclamation Plant for RO brine treatment/oxidation of hard COD. Since the raw influent is secondary treated sewage there are possibilities to study also the degradation of micro-pollutants and anti-microbial resistance (AMR; antibiotic resistant bacteria and genes/DNA) by the BIOZONE® process during the current FY 2023-24.

Frauenkirchen, Austria - Micro-Pollutants Removal

Micro-pollutants 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 likely 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 and was successfully presented at the 13th IWA International Conference on Water Reclamation and Reuse at Chennai, January 15-19, 2023.The study will be repeated at the Windhoek NGWRP with more modern and sensitive analytical (molecular-biologic) methods (which have been substantially further developed during the Covid-19 pandemic) and as aforementioned,it will be also investigated in the Hard COD project.

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

MICROPUR-CAS® – Pilot tests were successfully completed in 2017 at Birsig/Therwil, Switzerland, to reduce the organic load to the activated sludge process. The contract for the 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 three times by the client. The pilot tests at Nidda and Aarbergen, Germany, were successfully completed in 2019 and 2022 respectively. The full scale plant at Therwil will be started-up in Q4 2023.

RISK MANAGEMENT

In the yester years, WABAG had strengthened its risk management framework to address unprecedented and emerging risks from large-scale uncertainties like COVID-19 pandemic and their impact on economy, society and industry, particularly on the Water industry.

The Company faces several risks which could affect its ability to achieve its strategic objectives.

The Board is responsible for identifying principal risks and ensuring that 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 them and determine whether they are being mitigated properly.

From the tendering stage till closure of the 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) 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 could 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 the COVID-19 pandemic and been thoroughly analysed for change in risk grading.

Additional risks such as those related to safety, productivity, and working capital, 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 Chairman and Managing Director identifies various operational, business, commercial and external risks and implement processes to address them. We also conduct periodical review and audit 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.

FORWARD-LOOKING STATEMENTS

This Management Discussion and Analysis Report contains certain 'forward-looking statements', based on the currently held beliefs and assumptions of the Management of WABAG, which are expressed in good faith, and in its opinion and judgment, are fairly reasonable. For this purpose, forward-looking statements mean statements, remarks or forecasts that address activities, events, conditions or developments that the Company expects or anticipates which may occur in the future. Because of the inherent risks and uncertainties in the social and economic scenarios, the actual events, results or performance can differ materially and substantially from those indicated by these statements. WABAG disowns any obligation to update these forward-looking statements to reflect future events or developments.

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Vision

"WABAG shall be 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 WATER Business. WABAG shall encourage and practise a culture of caring, trust and continuous learning while meeting expectations of employees, stakeholders and society. WABAG-ites 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 customer. 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."

DNA of WABAG

(i) Professional Excellence and Pride

(ii) Intensity to Succeed

(iii) Absolute Commitment to Wabag Values

Being World's third largest Private Water Operator ranked during FY 2022-23, it is imperative that business is conducted in a fair and transparent manner. Business Ethics and Corporate Governance have always been an integral part of the Company.

Your Company recognize the paramount importance of contributing to the nation's development as we conduct our business operations. Your Company is fully committed to providing comprehensive water solutions to municipalities, encompassing drinking water treatment, desalination, wastewater treatment, sludge treatment and energy recovery, as well as operation and maintenance services, water reclamation and catering to various industries such as oil and gas, power plants, steel industry, fertilizer industry, food and beverage, industrial parks and more.

WABAG's long term interest is closely woven with the stakeholders' alignment. Your Company has large number of stakeholders in water solutions sphere. It will be WABAG's endeavour to constantly promote and enhance the stakeholders' legitimate interests, as we exist to provide total water solutions to our valued customers.

Your 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 is in compliance with the Corporate Governance requirements as enshrined in the Companies Act, 2013 read with the relevant Rules made thereunder ("the 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.

Ethics / Governance Policies

Your Company endeavours to conduct its businesses and strengthen relationships in a manner that is distinguished, unique and accountable. Wabag follows benchmark standards to ensure veracity, transparency, independence and responsibility in dealing with all its stakeholders. Hence, your Company has implemented various codes and policies to carry out its duties in a righteous manner. Some of these codes and policies as under are placed on the website of WABAG at https://www.wabag.com/compliances/ :

- Whistle Blower Policy
- Code of Conduct for Board Members and Senior Management Personnel
- Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions
- Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information & Policy for identifying Legitimate Purpose
- Policy on determining Material Subsidiaries
- Policy for determination of Materiality for Disclosure of Events or Information
- Policy on preservation & archival of documents
- Dividend Distribution Policy
- Nomination, Evaluation & Remuneration Policy
- Risk Management Policy
- Corporate Social Responsibility Policy
- Sustainability Policy
- Policy on Cyber Security Data Privacy
- Equal Opportunity Policy
- Policy on Business Responsibility and Sustainability Report
- Policy on Grievance Redressal
- Policy on Preferential Procurement
- Policy on Human Rights

II. BOARD OF DIRECTORS

a. Category of Directors & Board Composition

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 and Managing Director, Deputy 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.

Your Company's Board of Directors ("Board") has been constituted with a balanced composition of Independent Directors, Non–Executive Directors and Executive Directors.

The composition of the Board and category of Directors is as follows:

Category	Name of the Directors
Promoter and Executive Directors	1. Mr. Rajiv Mittal (Chairman and Managing Director*) 2. Mr. S. Varadarajan (Whole Time Director & Chief Growth Officer)
Non-Executive Independent Directors	3. Mr. Milin Mehta 4. Mrs. Vijaya Sampath# 5. Mr. Ranjit Singh
Non-Executive Non-Independent Director	6. Mr. Amit Goela

**Mr. Rajiv Mittal was re-designated by the Board at its Meeting held on December 07, 2022 as "Chairman and Managing Director".*

 # Independent Woman Director of the Board

b. Independent Directors' selection process

Taking into account the requirement of skill sets on the Board into consideration, eminent persons having independent standing in their respective field or profession and who can effectively contribute to WABAG's business and policy decisions are considered by the Nomination & Remuneration Committee (NRC), for appointment, as the Independent Directors on the Board. The NRC considers (i) qualification, (ii) positive attributes, (iii) area of expertise, (iv) the skillset required for the Directors, (v) number of Directorships & Memberships held in various committees of other companies by such persons for selection of the directors, and (vi) determining directors' independence. The Board considers the NRC's recommendations, takes appropriate decisions and recommends to the Shareholders the proposal for appointment of the Independent Directors.

The Independent Directors, at the first meeting of the Board in which they participate as the Directors, thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect their status as an Independent Director, submit a declaration to the Board that he/she meet the criteria of independence as provided under the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

c. Board Members' Familiarisation programmes

Necessary documents viz., (i) Company's corporate profile, (ii) its Mission, Vision, Work Ethics & General Business Principles, (iii) Organisation Structure, (iv) the Company's history and milestones, (v) Annual Reports, (vi) a brief background on the business of the Company and highlights of its performance, (vii) major policies of the Company, Code of Conduct, fund raising history etc., are provided to the Board Members. Presentations are also made to the Board periodically on (i) business and performance updates of the Company, (ii) global business environment, (iii) risk management, (iv) company policies, (v) subsidiaries information and (vi) changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates and other relevant issues. The familiarisation programmes are aimed to familiarise the new Directors with WABAG's policies and business and for the Directors to stay updated with Business and regulatory changes. The details of such familiarisation programmes for the Independent Directors are posted on the website of the Company and can be accessed at https://www.wabag.com/compliances/ .

d. Meetings of Independent Directors

As per requirement of Regulation 25 of the SEBI LODR and Schedule IV of the Act, the Independent Directors of the Company meet at least once in every financial year without the presence of the Non-Independent Directors and management personnel. Such meetings enable the Independent Directors to discuss the matters pertaining to the Company's affairs and the matters mentioned in Regulation 25 of the SEBI LODR and Schedule IV to the Act. The Independent Directors take appropriate steps to present their views to the Chairman and Managing Director. One (1) meeting of the Independent Directors was held during the FY 2022-23 i.e. on February 09, 2023.

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.

e. Code of Conduct

As per the requirement of Regulation 26(3) of SEBI LODR, the Board has laid down a Code of Conduct ("the Code") for all the Board members and Senior Management Personnel of the Company. The Code is posted on the website of the Company at www.wabag.com. All Board members and Senior Management Personnel affirm compliance with the Code on an annual basis and the declaration to that effect by the Deputy Managing Director & Group CEO is attached to this report.

f. Attendance of Directors at Board Meetings, last Annual General Meeting (AGM) and number of other Directorships and Chairmanship / Membership of Committees of each Director in various Companies and shareholding in WABAG:

Sr. No.	Name of the Director	DIN^	Category@	Number of other Directorships held in other public limited companies as on March 31, 2023#		Number of Committee Chairmanships / memberships held in public limited companies as on March 31, 2023##		Board meetings during the period from April 01, 2022 to March 31, 2023		Whether present at the previous AGM held on August 24, 2022	No. of Equity Shares held$$
				Chairman	Director	Chairman	Member	Held	Attended$		
1.	Mr. Rajiv Mittal	01299110	CMD	-	-	-	-	7	7	Yes	97,09,406
2.	Mr. S. Varadarajan	02353065	WTD & CGO	-	-	-	-		7	Yes	21,85,762
3.	Mrs. Vijaya Sampath	00641110	NEID & WD	-	6	-	5		6	Yes	-
4.	Mr. Milin Mehta	01297508	NEID	-	5	4	5		7	Yes	-
5	Mr. Ranjit Singh	01651357	NEID	-	2	-	1		7	Yes	-
6	Mr. Amit Goela	01754804	NENID	-	2	2	3		7	Yes	-

^ *DIN: Director Identification Number*

@ *CMD - Chairman & Managing Director, NENID - Non-Executive Non-Independent Director, NEID - Non-Executive Independent Director, WTD - Whole Time Director and CGO - Chief Growth Officer, WD - Woman Director.*

Other companies do not include directorship(s) of this Company, private limited companies, Section 8 companies and companies incorporated outside India. In accordance with the Regulation 17A of the SEBI LODR, none of the Directors of the Company serves as a Director or as an Independent Director in more than seven (7) listed entities. 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 three (3) listed companies.

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

Committee refers to Audit Committee and Stakeholders' Relationship Committee pursuant to Regulation 26 of SEBI LODR.

$ *Attendance includes participation through video conference/OAVM.*

$$ *No convertible instrument was held by the Directors.*

Note: i) None of the Directors are related inter-se.

ii) Seven (7) Board Meetings were held during the Financial Year (FY) ended March 31, 2023, i.e., on May 27, 2022, August 10, 2022, November 11, 2022, November 25, 2022, December 7, 2022, February 10, 2023 and March 17, 2023. At least one board meeting was held in each quarter and gap between any two consecutive board meetings did not exceed 120 days.

g. Name of the listed entities, other than WABAG, where a Director of the Company, is a Director as on March 31, 2023:

Sr. No.	Name of Director	Name of other listed entities	Category
1	Mr. Rajiv Mittal	-	NA
2	Mr. S. Varadarajan	-	NA
3	Mr. Amit Goela	Suryaamba Spinning Mills Limited	Non-Executive Independent Director
4	Mr. Milin Mehta	Styrenix Performance Materials Limited Shaily Engineering Plastics Limited 5Paisa Capital Limited	Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director
5	Mr. Ranjit Singh	Polyplex Corporation Limited Shaily Engineering Plastics Limited	Non-Executive Independent Director Non-Executive Independent Director
6	Mrs. Vijaya Sampath	Ingersoll-Rand (India) Limited Safari Industries (India) Limited Varroc Engineering Limited Craftsman Automation Limited Intellect Design Arena Limited	Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director Non-Executive Independent Director

h. Board Skills

Your Company has a vibrant Board of Directors with requisite skills, expertise and experience, as required for the Company's business. The core skills identified by the Board inter-alia 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

The following is the list of core skills / expertise / competencies identified by the Board of directors required for effective functioning as required in the context of the business(es) and sectors for it to function effectively, which are available with the Board. The names of directors who have such skills / expertise / competencies as identified by the Board are given below:

Area of Skills/ Expertise	Mr. Rajiv Mittal	Mr. S. Varadarajan	Mr. Amit Goela	Mr. Milin Mehta	Mr. Ranjit Singh	Mrs. Vijaya Sampath
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	✓	✓	✓	✓	✓	✓

i. **The Independent Directors, in the opinion of the Board, fulfil the conditions specified in SEBI LODR Regulations and are independent of the management.**

The Board meets for a minimum of four (4) Board meetings 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 and 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 all 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 set of structured agendas which are backed by comprehensive background notes, wherever required with detailed presentations 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 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 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").

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. 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.

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 applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI).

III. AUDIT COMMITTEE

a. Composition of Audit Committee:

The Audit Committee comprises of the following Directors:

Names	Designation
Mr. Milin Mehta Non-Executive Independent Director	Chairman
Mr. Ranjit Singh Non-Executive Independent Director	Member
Mrs. Vijaya Sampath Non-Executive Independent Director & Woman Director	Member
Mr. Rajiv Mittal Chairman and Managing Director	Member

Mr. Anup Kumar Samal, Company Secretary & Compliance Officer, acts as Secretary to the Audit Committee.

b. Meetings and attendance during the year:

During the Financial Year ended March 31, 2023, five (5) meetings of the Audit Committee were held i.e. on May 26, 2022, August 10, 2022, November 10, 2022, February 09, 2023 and March 17, 2023.

The attendance of the Audit Committee members is as under:

Names of the Audit Committee Members	No. of the Meetings	
	Held	Attended
Mr. Milin Mehta	5	5
Mr. Ranjit Singh		5
Mrs. Vijaya Sampath		4
Mr. Rajiv Mittal		5

c. The brief terms of reference of the Audit Committee are as under:

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 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 required, 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 attends the Committee Meeting at which the Cost Audit Report(s) are considered.

IV. NOMINATION AND REMUNERATION COMMITTEE

a. Composition of Nomination and Remuneration Committee:

The Nomination and Remuneration Committee (NRC) comprises of the following Directors:

Names	Designation
Mrs. Vijaya Sampath Non-Executive Independent Director & Woman Director	Chairperson
Mr. Milin Mehta Non-Executive Independent Director	Member
Mr. Amit Goela Non-Executive Non-Independent Director	Member

Mr. Anup Kumar Samal, Company Secretary & Compliance Officer, acts as Secretary to the NRC.

b. Meetings and attendance during the year:

During the Financial Year ended March 31, 2023, three (3) meetings of the NRC were held i.e. on May 26, 2022, August 23, 2022, and December 07, 2022.

The attendance of the NRC members is as under:

Names of the NRC Members	No. of the Meetings	
	Held	Attended
Mrs. Vijaya Sampath	3	3
Mr. Milin Mehta		3
Mr. Amit Goela		3

c. **The brief terms of reference of the NRC are as under:**

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.

d. **Performance evaluation criteria for Independent Directors and Board:**

The Nomination and Remuneration Committee oversees the annual self-evaluation of the Board including committees thereof and of the Chairman and individual Directors. It reviews and discusses all matters pertaining to performance of all directors including independent directors, periodically as may be necessary on the basis of the detailed performance parameters set forth. The Committee also periodically evaluates the usefulness of such performance parameters and makes necessary amendments.

The NRC has laid down the criteria / questionnaires for performance evaluation of Board, Committees and Directors (including Chairman and Independent Directors) which is based on certain parameters inter-alia including the following:

i. Adequate Size and structure of the Board and has sufficient range of expertise to make it effective;

ii. Timeliness of circulating Agenda for meetings;

iii. Quality, quantity and timeliness of flow of information to the Board;

iv. Opportunity to discuss matters of critical importance, before decisions are made;

v. Familiarity with the objects, operations and other functions of the Company;

vi. Level of monitoring of Corporate Governance Regulations and compliance;

vii. Involvement of Board in Strategy discussion;

viii. Performance of the Chairperson of the Company including leadership qualities;

ix. Director’s adherence to high standards of integrity, confidentiality and ethics;

x. Overall performance and contribution of directors at meetings;

xi. Overall performance of the Board / Committees.

e. **Nomination, Evaluation and Remuneration Policy**

The NRC in terms of the provisions of Section 178 of the Act, and Regulation 19 of the SEBI LODR, is responsible for formulating the criteria for determining qualification, positive attributes and independence of the Directors. The NRC is also responsible for recommending to the Board a policy relating to the remuneration of the Directors, Key Managerial Personnel and Senior Management. In line with this requirement, the Board had adopted the Nomination, Evaluation and Remuneration Policy, which is available on the website of the Company at https://www.wabag.com/compliances/.

The Nomination and Remuneration Committee of the Board has laid down various 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 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 Executive Directors is done at the close of the financial year on the basis of these Key Performance objectives. 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 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 and 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 and Execution
- Stakeholders Engagement
- Successful Financial Closure of Projects / Secure Order Intake
- Other factors as may be fixed by the NRC/ Board

The Non-Executive Directors are paid a commission on quarterly basis 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, pursuant to the approval of the Members at the 19th AGM of the Company held on July 21, 2014 and as per the Nomination, Evaluation & Remuneration Policy of the Company.

V. DETAILS OF REMUNERATION PAID DURING THE FINANCIAL YEAR ENDED MARCH 31, 2023 TO THE DIRECTORS ARE FURNISHED HEREUNDER:

a. There was no pecuniary relationship or transaction between the Non-Executive Directors and the Company during the FY 2022-23.

b. Criteria for making payments to the Non-Executive Directors: The remuneration to the Non-Executive Directors (including Independent Directors) are paid within the monetary limit approved by the Shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013. Other than the above, no other payments are made to the Non- Executive Directors of the Company.

c. Details of Remuneration to the Directors:

Name of the Directors	Category	Salary, Commission and allowance(s) (in INR)	Perquisites (in INR)	Sitting Fees (in INR)	Total (in INR)
Mr. Rajiv Mittal	CMD	3,24,15,101	22,02,420	-	3,46,17,521
Mr. S. Varadarajan	WTD & CGO	1,61,44,949	4,33,725	-	1,65,78,674
Mr. Amit Goela	NENID	15,00,000	-	-	15,00,000
Mr. Milin Mehta	NEID	15,00,000	-	-	15,00,000
Mr. Ranjit Singh	NEID	15,00,000	-	-	15,00,000
Mrs. Vijaya Sampath	NEID&WD	15,00,000	-	-	15,00,000

Notes: a) No sitting fees was paid to any Directors for attending Meetings of the Board and Committees.

b) The Company has neither advanced loans nor granted any stock options to any Directors during the FY 2022-23.

c) No severance pay is payable upon termination of appointment. Notice period for termination of Executive Directors shall be 6 (six) months on either side.

VI. STAKEHOLDERS' RELATIONSHIP COMMITTEE (SRC)

a. Composition of the SRC:

The SRC comprises of the following Directors:

Names	Designation
Mr. Ranjit Singh (Non-Executive Independent Director)	Chairman
Mr. Rajiv Mittal (Chairman and Managing Director)	Member
Mr. S. Varadarajan (Whole Time Director & Chief Growth Officer)	Member

Mr. Anup Kumar Samal, Company Secretary & Compliance Officer, acts as Secretary to the SRC.

b. Meetings and attendance during the year:

During the Financial Year ended March 31, 2023, four (4) meetings of the SRC were held i.e. on May 26, 2022, August 09, 2022, November 10, 2022 & February 09, 2023.

The attendance of the SRC members is as under:

Names of the SRC Members	No. of the Meetings	
	Held	Attended
Mr. Ranjit Singh (Non-Executive Independent Director)	4	4
Mr. Rajiv Mittal (Chairman and Managing Director)		4
Mr. S. Varadarajan (Whole Time Director & Chief Growth Officer)		4

c. The brief terms of reference of the SRC are as under:

The role of the Stakeholders' Relationship Committee includes, without limitation, resolving the grievances of the 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 the 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.

d. The details of the complaints received during the FY 2022-23 and the status of pending complaints:

i) Number of complaints pending as on April 1, 2022: NIL

ii) Number of shareholder complaints received: 2

iii) Number of complaints resolved: 2

iv) Number of complaints not resolved to the satisfaction of shareholders: NIL

v) Number of complaints pending as on March 31, 2023: NIL

VII. RISK MANAGEMENT AND MONITORING COMMITTEE (RMMC)

a. Composition of RMMC:

The RMMC comprises of the following Directors:

Names	Designation
Mr. Ranjit Singh (Non-Executive Independent Director)	Chairman
Mr. Milin Mehta (Non-Executive Independent Director)	Member
Mr. Rajiv Mittal (Chairman and Managing Director)	Member
Mr. S. Varadarajan (Whole Time Director & Chief Growth Officer)	Member

Mr. Anup Kumar Samal, Company Secretary & Compliance Officer, acts as Secretary to the RMMC.

b. Meetings and attendance during the year:

During the Financial Year ended March 31, 2023, two (2) meetings of the RMMC were held i.e. on August 09, 2022 & November 10, 2022.

The attendance of the RMMC members is as under:

Names of the RMMC Members	No. of the Meetings	
	Held	Attended
Mr. Ranjit Singh (Non-Executive Independent Director)	2	2
Mr. Milin Mehta (Non-Executive Independent Director)		2
Mr. Rajiv Mittal (Chairman and Managing Director)		2
Mr. S. Varadarajan (Whole Time Director & Chief Growth Officer)		2

c. **The brief terms of reference of the RMMC are as under:**

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

The RMMC 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 the RMMC 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.

VIII. OTHER COMMITTEES:

1. Corporate Social Responsibility (CSR) Committee

a. **Composition of CSR Committee:**

The CSR Committee (CSRC) comprises of the following Directors:

Names	Designation
Mrs. Vijaya Sampath (Non-Executive Independent Director & Woman Director)	Chairperson
Mr. Amit Goela (Non-Executive Non-Independent Director)	Member
Mr. Rajiv Mittal (Chairman and Managing Director)	Member
Mr. S. Varadarajan (Whole Time Director & Chief Growth Officer)	Member

Mr. Anup Kumar Samal, Company Secretary & Compliance Officer, acts as Secretary to the CSRC.

b. **Meetings and attendance during the year:**

During the Financial Year ended March 31, 2023, Four (4) meetings of the CSRC were held i.e. on May 26, 2022, August 23, 2022, November 10, 2022 & February 09, 2023.

The attendance of the CSRC members is as under:

Names of the CSRC Members	No. of the Meetings	
	Held	Attended
Mrs. Vijaya Sampath (Non-Executive Independent Director & Woman Director)	4	4
Mr. Amit Goela (Non-Executive Non-Independent Director)		4
Mr. Rajiv Mittal (Chairman and Managing Director)		4
Mr. S. Varadarajan (Whole Time Director & Chief Growth Officer)		4

c. The brief terms of reference of the CSRC are as under:

The constitution and terms of reference of the CSRC 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 the CSRC 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.

2. Capital Allocation Committee (CAC) (formerly Overseas Investment Committee)

a. Composition of CAC:

The CAC comprises of the following Directors:

Names	Designation
Mr. Milin Mehta (Non-Executive Independent Director)	Chairman
Mrs. Vijaya Sampath (Non-Executive Independent Director & Woman Director)	Member
Mr. Ranjit Singh (Non-Executive Independent Director)	Member
Mr. Rajiv Mittal (Chairman and Managing Director)	Member
Mr. S. Varadarajan (Whole Time Director & Chief Growth Officer)	Member

Mr. Anup Kumar Samal, Company Secretary & Compliance Officer, acts as Secretary to the CAC.

b. Meetings and attendance during the year:

During the Financial Year ended March 31, 2023, three (3) meetings of the CAC were held i.e. on September 29, 2022, November 10, 2022 and March 28, 2023.

The attendance of the CAC members is as under:

Names of the CAC Members	No. of the Meetings	
	Held	Attended
Mr. Milin Mehta (Non-Executive Independent Director)	3	3
Mrs. Vijaya Sampath (Non-Executive Independent Director & Woman Director)		3
Mr. Ranjit Singh (Non-Executive Independent Director)		3
Mr. Rajiv Mittal (Chairman and Managing Director)		3
Mr. S Varadarajan (Whole Time Director & Chief Growth Officer)		3

c. The brief terms of reference of the CAC are as under:

The Company has 21* Subsidiaries/ Associates/JVs spread across different geographies and part of good Corporate Governance, your Board has constituted Capital Allocation 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 Financial Year:

a. VA Tech Wabag Brno Spol S.r.o, Czech Republic, Subsidiary Company had sold its 100% stake on March 10, 2023;

b. WABAG Wassertechnik AG, Switzerland, Subsidiary Company had sold its 100% stake on April 12, 2023.

c. Wabag Limited, Thailand, Subsidiary Company has filed its liquidation and dissolution application on March 30, 2023;

d. Thoothukudi Renew Water Private Limited, Associate Company has filed the application on February 21, 2023 with the Registrar of Companies, Chennai, Ministry of Corporate Affairs for striking-off of name of the company as per Section 248 of the Act.

IX. GENERAL BODY MEETINGS

a. Annual General Meetings

The details of the Annual General Meetings held during the preceding three years and the Special Resolutions passed thereat are as under:

Financial Year	Location	Date and Time	Special Resolutions passed
2021-22	Through Video Conferencing (VC)	Wednesday, August 24, 2022 at 3.00 p.m. (IST)	• Re-appointment of Mr. Milin Mehta (DIN: 01297508) as an Independent Director
2020-21	Through Video Conferencing (VC)	Wednesday, August 25, 2021 at 3.00 p.m. (IST)	• Appointment of Mr. Ranjit Singh (DIN: 01651357) as an Independent Director • Appointment of Mr. Amit Goela (DIN: 01754804) as Non – Executive Non – Independent Director
2019-20	Through Video Conferencing (VC)	Wednesday, September 23, 2020 at 3.00 p.m. (IST)	• Appointment of Mrs. Vijaya Sampath (DIN: 00641110) as an Independent Woman Director • Issue of Equity Shares on Preferential Basis • Issuance of securities by way of Private Placement/ Preferential Allotment/ Further Public Offer

b. Extraordinary General Meetings

No Extraordinary General Meetings (EGMs) were held during three (3) years preceding the FY 2022-23.

c. Special Resolution passed through postal ballot:

During the year under review, no special resolution was passed through the exercise of postal ballot.

X. MEANS OF COMMUNICATION

WABAG has been sending Annual Reports, Notices and other communications to each shareholder through e-mail, post and/or courier services. As per the circulars issued by MCA and SEBI, the Notice and Annual Report for the FY 2022-23 are also being sent through electronic means (e-mail) only. The Notice and Annual Report of the Company for the FY 2022-23 shall also be available on the website of the Company www.wabag.com.

Further, the Company ensures that the following filings and reports are available on its website:

- The quarterly report, along with additional information and official news releases, are posted on the Company's website, at https://www.wabag.com/investors-overview/. The quarterly / annual results are generally published in at least one English language national daily newspaper circulating in the whole or substantially the whole of India *(Business Standard)* and in one regional daily newspaper circulating in Tamil Nadu *(Makkal Kural)*.
- Quarterly and annual financial statements, standalone and consolidated, along with segmental and other information, are also posted on the Company's website, at https://www.wabag.com/investors-overview/.
- Audio recordings of Earnings calls with analysts and investors and their transcripts along with the presentations are also published on the Company's website at https://www.wabag.com/share-holder-investor-communications/. The AGM proceedings and voting results & Scrutiniser Report are available on the Company's website, at https://www.wabag.com/compliances/.
- Other information, such as press releases, stock exchange disclosures and presentations made to investors and analysts, etc., is regularly updated on the Company's website.

XI. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting to be held for the FY 2022-23:

Day: Friday
Date: August 11, 2023
Time: 4.00 P.M. (IST)
Venue: Video conferencing as set out in the Notice convening the meeting

b. Financial Calendar:

The Financial year is April 01 to March 31 of every year and for the FY 2023-24, the financial results are proposed to be declared as per the following tentative schedule:

Particulars	Tentative Schedule
Financial reporting for the quarter ending June 30, 2023	First Fortnight of August 2023
Financial reporting for the quarter / half year ending September 30, 2023	First Fortnight of November 2023
Financial reporting for the quarter / nine months ending December 31, 2023	First Fortnight of February 2024
Financial reporting for the quarter / year ending March 31, 2024	First / Second Fortnight of May 2024
Annual General Meeting for the year ending March 31, 2024	August 2024

c. Book Closure Date:

The Register of Members and Share Transfer Books of the Company will be closed from Monday, July 31, 2023 to Friday, August 11, 2023 (both days inclusive) for the purpose of the 28th Annual General Meeting.

d. Dividend Payment Date:

Your Directors have not recommended any dividend for the FY 2022-23 and decided to conserve the funds for investment requirements viz. growth capital and Hybrid Annuity Model (HAM) projects.

e. Listing on Stock Exchanges:

(i) Equity Shares:

Wabag's equity shares are listed on the following Stock Exchanges with effect from October 13, 2010:

Name of the Stock Exchange	Address	Stock Code
National Stock Exchange of India Limited	Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex Bandra (E), Mumbai - 400 051	WABAG
BSE Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	533269

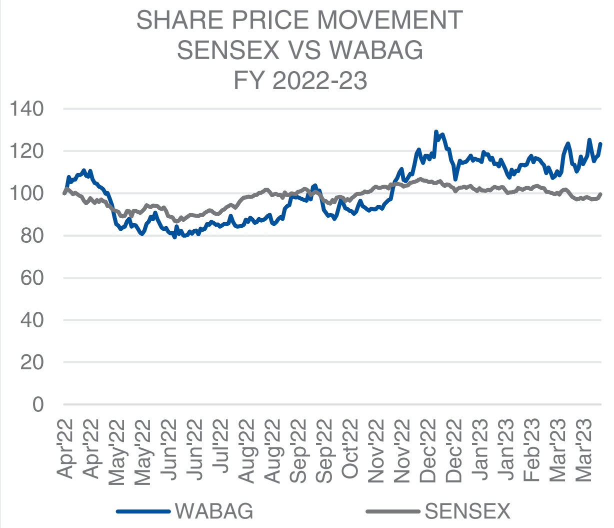
The Company has paid Annual listing fees and Custodian charges for the FY 2023-24 to both Stock Exchanges & Depositories respectively.

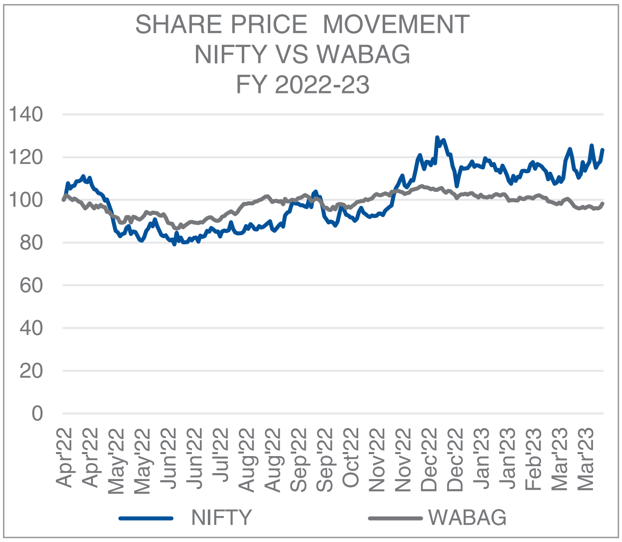
f. Market Price Data – high, low during each month in last financial year relating to Equity Shares listed:

(Amount in INR)

Month	BSE		NSE	
	High	Low	High	Low
Apr-2022	322.95	281.10	323.00	280.80
May-2022	291.00	223.65	289.95	223.65
June-2022	274.55	220.00	275.00	220.00
July-2022	259.30	227.30	259.40	216.00
Aug-2022	266.00	240.00	266.00	240.90
Sept-2022	306.35	250.65	306.40	250.70
Oct-2022	281.10	250.05	281.00	250.00
Nov-2022	351.20	262.05	351.00	261.55
Dec-2022	374.90	301.05	375.00	300.30
Jan-2023	352.20	302.80	352.45	302.40
Feb-2023	342.05	303.60	342.65	303.50
March-2023	366.05	308.25	366.45	308.15

g. **Performance of the share price of the Company in comparison to BSE Sensex and NSE Nifty:**





Share price performance during Financial Year 2022-23 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	291.15	17102.55	57060.87
May	247.20	16584.55	55566.41
June	234.85	15780.25	53018.94
July	241.05	17158.25	57570.25
August	264.55	17759.3	59537.07
September	255.25	17094.35	57426.92
October	263.80	18012.2	60746.59
November	345.35	18758.35	63099.65
December	327.65	18105.3	60840.74
January	317.50	17662.15	59549.9
February	308.40	17303.95	58962.12
March	351.90	17359.75	58991.52

h. **Registrar & Share Transfer Agent (RTA) / Demat Registrar:**

KFin Technologies Limited
(Formerly KFin Technologies Private Limited)
Unit: VA TECH WABAG LIMITED
Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda,
Hyderabad - 500 032
Toll free no. 1800-309-4001
Email ID: einward.ris@kfintech.com

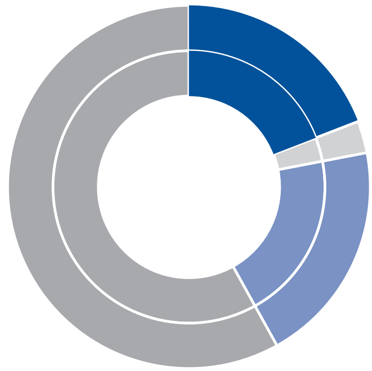
i. Share Transfer System:

In terms of Regulation 40 of SEBI LODR, as amended, no transfer of shares of a listed company in physical mode is permitted. Transfer of shares is permitted only in dematerialised form. The dematerialised shares are directly transferred by the depositories to the beneficiaries. A summary of the de-materialisation request / re-materialisation requests is placed before the meetings of the Stakeholders Relationship Committee. The Company obtains certificate from the practicing Company Secretary in terms of Regulation 40(9) of the SEBI LODR certifying that the certificates, if any required, have been issued within 30 days of the date of lodgement and thereafter submit the same to the stock exchanges. In terms of Regulation 40 of SEBI LODR, as amended, no transfer of shares in physical mode is permitted.

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.

Distribution by Category



■ Promoters (19.12%)

■ MFs/ Insurance Cos / AIF / Trusts (2.85%)

■ FII / FPI / NRI/QIB / Overseas Corporate Bodies (19.95%)

■ Others (Clearing Members / HUF / IEPF / Bodies Corporates / Resident Individuals / Employees) (58.08%)

j. Distribution of equity shareholding as on March 31, 2023:

Distribution by size (PAN based)

Sr. No.	Category (Shares)	March 31, 2023				March 31, 2022			
		No.of Holders	% To Holders	No.of Shares	% To Equity	No.of Holders	% To Holders	No.of Shares	% To Equity
1	1-500	92,142	92.65	74,66,434	12.01	1,01,495	93.24	82,66,137	13.29
2	501-1000	3,704	3.72	28,91,182	4.65	3,815	3.50	29,79,750	4.79
3	1001-2000	1,807	1.82	26,71,680	4.30	1,892	1.74	28,26,056	4.54
4	2001-3000	626	0.63	16,04,021	2.58	606	0.56	15,55,791	2.50
5	3001-4000	280	0.28	10,02,475	1.61	301	0.28	10,70,337	1.72
6	4001-5000	223	0.22	10,43,921	1.68	189	0.17	8,91,205	1.43
7	5001-10000	346	0.35	25,63,861	4.12	280	0.26	20,80,359	3.35
8	10001 and above	321	0.32	4,29,46,854	69.06	281	0.26	4,25,20,793	68.37
	Total	**99,449**	**100.00**	**62190428**	**100.00**	**1,08,859**	**100.00**	**6,21,90,428**	**100.00**

k. Dematerialisation of Shares and Liquidity

The Company's shares are available for dematerialisation with both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Total 99.99% of shares have been dematerialised as on March 31, 2023.

ISIN: INE956G01038 (Fully Paid Shares)

Description	No. of Shareholders*	No. of Shares	% Equity
Physical	7	266	0.0004
NSDL	46,564	4,87,16,007	78.3336
CDSL	55,147	1,34,74,155	21.6660
Total	1,01,718	6,21,90,428	100.0000

*Calculated on folio basis

The Company's shares are regularly traded on BSE Limited and the National Stock Exchange of India Limited and were never suspended from trading.

l. Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity:

i. GDRs / ADRs:

The Company has not issued any GDRs / ADRs in the past and hence as on March 31, 2023, the Company does not have any outstanding GDRs / ADRs.

ii. Warrant:

During the year under review, the Company has not issued any warrant and there is no warrant outstanding for conversion which is likely to impact on equity.

iii. Foreign Currency Convertible Bonds (FCCBs):

During the year under review and in the past, the Company has not issued any FCCBs.

m. Commodity Price Risk / Foreign Exchange Risk and Hedging activities:

The details of foreign currency exposure and hedging are disclosed in standalone financial statements.

n. Plant locations:

WABAG Group facilities for design, engineering, procurement, construction, operation and maintenance at several locations across India as well as various multiple domestic units. The group also has an extensive network of regional offices, branches, project management offices, subsidiary entities in India and around the globe.

Please refer BRSR forming part of the Annual Report.

o. Address for correspondence:

VA TECH WABAG LIMITED
CIN: L45205TN1995PLC030231
Company Secretary and Compliance Officer
(Corporate Secretarial Department, Global Headquarters)
'WABAG HOUSE'
No.17, 200 Feet Thoraipakkam –
Pallavaram Main Road,
Sunnambu Kolathur, Chennai 600 117,
Tamil Nadu, India
T +91 44-6123-2323
F +91 44-6123-2324
E-mail: companysecretary@wabag.in

p. Prevention of Insider Trading:

In accordance with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has instituted a comprehensive Code of Conduct for prevention of insider trading, in the Company's shares and Code of practices and procedures for fair disclosure of unpublished price sensitive information.

q. Reconciliation of Share Capital Audit:

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL, physical shares and the total issued and paid-up capital. This audit is carried out every quarter and the report there on is submitted to the Stock Exchanges and is placed before the Stakeholders' Relationship Committee and the Board of Directors of the Company. The audit, inter alia, confirms that the total listed and paid-up capital of the Company is in agreement with the aggregate of the total number of shares in dematerialised form held with NSDL and CDSL and total number of shares in physical form.

r. **Equity Shares in the Suspense Account:**

As per Schedule V read with Schedule VI, Regulation 34(3) and 39(4) of the SEBI LODR, the details in respect of equity shares lying in the suspense / escrow account are as under:

- None of the equity shares issued during Initial Public offer were lying as on March 31, 2023 in the "VA TECH WABAG LIMITED – UNCLAIMED SHARES DEMAT SUSPENSE ACCOUNT".

s. **List of all credit rating obtained for debt:**

Since there are no Debt Instruments outstanding in the Company, no credit rating was obtained during the financial year ended March 31, 2023 for debt instrument.

However, the India Ratings & Research, (a Fitch Group Company) the credit rating agency, **affirmed "IND A+ with Stable Outlook and upgraded Short Term Debt rating to "IND A1+"**. Please refer to the Board's Report for further details.

t. **Investor Education and Protection Fund (IEPF)**

In accordance with the applicable provisions of the Companies Act, 2013 (Act) read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (IEPF Rules), all unclaimed dividends, if not claimed for a period of seven (7) years from the date of transfer to Unclaimed Dividend Account of the Company, are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF). Further, according to the IEPF Rules, all the share in respect of which dividend has not been claimed by the shareholders for 7 (seven) consecutive years or more from the respective date of transfer to Unpaid Dividend Account shall also be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares.

The members can claim the dividends and shares transferred to the IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in as per the procedure prescribed under the Act. No claim shall lie against the Company in respect of the shares and dividend so transferred.

In accordance with IEPF Rules, the Board of Directors have appointed Mr. Anup Kumar Samal, Company Secretary & Compliance Officer of the Company, as the Nodal Officer for the purpose of verification of claims and for co-ordination with IEPF Authority. Details of the Nodal Officer for the purpose of co-ordination with the IEPF Authority are available on the website of the Company at http://www.wabag.com/investor-contacts/. Shares and dividends have been transferred into IEPF account from the Financial Years 2010-11 onwards and Company is processing the requests received from Shareholders who are filing the IEPF-5 available on the website.

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 seven (7) 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 seven (7) 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.

u. **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.

v. **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.

XII. SUBSIDIARY COMPANIES

The Company reviews the performance of its subsidiary companies, inter-alia, by the following means:

i. The financial statements, including the investments made by subsidiary companies, if any, are reviewed by the Audit Committee of the Company, periodically;

ii. The minutes of the Board / Audit Committee Meetings of the subsidiary companies are noted at the Board / Audit Committee Meetings respectively of the Company;

iii. The details of significant transactions and arrangements entered into by the subsidiary companies are placed periodically before the Board of the Company;

iv. Detailed update on various businesses carried out by the subsidiaries of the Company and joint ventures, is presented to the Board of directors of the Company, on a quarterly basis;

v. Utilisation of loans / advances given or investment made in Subsidiary Companies is reviewed periodically by the Audit Committee of the Company.

XIII. OTHER DISCLOSURES

a. **Disclosures on materially significant related party transactions i.e., transactions of the Company of material nature, with its promoters, Directors or their relatives, management, its subsidiaries etc., that may have potential conflict with the interests of the Company at large:**

None of the transactions with related parties were in conflict with the interests of the Company at large. The transactions with the related parties are mentioned in the financial statements.

b. **Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years:**

There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence, no penalty or stricture was imposed by the Stock Exchanges or SEBI or any statutory authority.

c. **Whistle Blower Policy / Vigil Mechanism:**

To maintain high level of legal, ethical and moral standards and to provide a gateway for employees to voice concern in a responsible and effective manner about serious malpractice, impropriety, abuse or wrongdoing within the organisation, the Company has a Whistle Blower Policy / Vigil Mechanism in place, applicable to the Company and its associates and subsidiaries. This mechanism has been communicated to all concerned and posted on the Company's website https://www.wabag.com/compliances/. Procedure for making complaint has been prescribed in the said policy. We affirm that during the year under review no one has been denied access to the Chairman of the Audit Committee under the Whistle Blower Policy.

During the FY 2022-23, no complaint was received by the Committee Members /Chairman of the Audit Committee.

d. **The Company has complied with the mandatory requirements of listing regulations. Further, the Company has also put its best endeavour to comply with non-mandatory requirement(s).**

e. **The Company has framed a Policy on determining Material Subsidiaries and the same is placed on the Company's website and the web link for the same is** https://www.wabag.com/compliances/.

f. **The Company has framed *"Policy on Materiality of Related Party Transactions and on dealing with the Related Party Transactions"*, and the same is placed on the Company's website and the web link for the same is** https://www.wabag.com/compliances/.

g. **During the financial year ended March 31, 2023, the Company did not engage in commodity business, commodity risk is not applicable. The foreign exchange risks are managed/ hedged to the extent deemed necessary.**

h. **Details of utilisation of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A):** The Company has not raised any fund during the year through preferential allotment or qualified institutional placement.

i. **Certificate from the Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the companies by the Board / Ministry of Corporate Affairs or any such statutory authority is annexed hereinafter.**

j. **The Board has unanimously accepted all recommendations of the Board committees which are mandatorily required in the relevant financial year.**

k. **Total fees for all services paid by the Company & its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm / network entity of which the statutory auditors are a part, is INR 67 Lakhs.**

l. **Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:**

   a. Number of complaints filed during the financial year: 1

   b. Number of complaints disposed of during the financial year: 1

   c. Number of complaints pending as on end of the financial year: 0

m. **Disclosure by the Company and its subsidiaries w.r.t. "Loans and Advances in the nature of Loans to firms / companies in which directors are interested by name and amount":**

   The said details are mentioned in the Standalone Financial Statements, forming part of this Annual Report.

n. **Details of material subsidiaries of the Company including the date and place of incorporation and the name and date of appointment of the Statutory Auditors of such subsidiaries:**

   The details of the Material subsidiary of the Company are as under:

Name of the material subsidiary	VA Tech Wabag GmbH
Date and place of incorporation	June 26, 1990, Vienna, Austria
Name and date of appointment of the Statutory Auditors	Rödl & Partner Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaf Zaunergrasse 4/4 Stock, A-1030 Wien, WT Code:802709 [Date of Appointment of the Auditor: December 9, 2022]

XIV. THERE HAS BEEN NO INSTANCE OF NON-COMPLIANCE OF ANY REQUIREMENT OF THE CORPORATE GOVERNANCE REPORT AS PRESCRIBED UNDER SEBI LODR.

XV. ADOPTION OF NON-MANDATORY REQUIREMENTS AS STIPULATED IN PART E OF SCHEDULE II OF SEBI LODR:

a. **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.

b. **Separate posts of the Chairperson & Managing Director or the Chief Executive Officer (CEO)**

   During the financial year under review, Mr. Rajiv Mittal has been redesignated as the "Chairman & Managing Director" from "Chairman & Managing Director and Group Chief Executive Officer" and Mr. Pankaj Malhan has been appointed as the "Deputy Managing Director and Group CEO".

c. **Reporting of Internal Auditor:**

The Internal Auditor and the Corporate Assurance Department of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting their findings of the internal audit to the Audit Committee.

d. **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 the Financial Statements (standalone and consolidated) for significant accounting policies adopted by the Company.

XVI. THE COMPANY HAS FULLY COMPLIED WITH THE APPLICABLE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND CLAUSE B TO CLAUSE I OF REGULATION 46(2) OF THE SEBI LODR.

Declaration on compliance with Code of Conduct

To,
The Members of
VA TECH WABAG LIMITED

Sub: Declaration by the CEO under Para D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

I, Pankaj Malhan, Deputy Managing Director (DMD) & Group CEO of VA TECH WABAG LIMITED, to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2023.

For **VA TECH WABAG LIMITED**

Pankaj Malhan
DMD & Group CEO

Place: Chennai
Date: May 19, 2023

Compliance Certificate on Corporate Governance

To,

The Members of **VA TECH WABAG LIMITED,**
Chennai,

I, M Damodaran, Managing Partner of M Damodaran & Associates LLP have examined the compliance of the conditions of Corporate Governance by VA TECH WABAG LIMITED (CIN : L45205TN1995PLC030231), Chennai for the financial year ended on 31st March, 2023, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) 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 SEBI LODR for the year ended 31st March, 2023.

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
FRN: L2019TN006000
PR 1374/2021
ICSI UDIN: F005837E000337731

Place: Chennai
Date: May 19, 2023

CERTIFICATE

CEO and CFO certification pursuant to Regulation 17(8) read with Part B of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Board of Directors of
VA TECH WABAG LIMITED
Corporate Identity Number: L45205TN1995PLC030231
"Wabag House", No. 17, 200 Feet Thoraipakkam -
Pallavaram Main Road,
Sunnambu Kolathur Chennai,
Tamil Nadu 600117, India

a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 2023 and that to the best of our knowledge and belief:

   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 the 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 violative of the Company's code of conduct.

c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we 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 rectify these deficiencies.

d) We have indicated to the auditors and the Audit Committee (wherever applicable):

   i. significant changes in internal controls over financial reporting during the year;

   ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; wherever applicable; and

   iii. 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.

For **VA TECH WABAG LIMITED**

Pankaj Malhan
DMD & Group CEO

Skandaprasad Seetharaman
Chief Financial Officer

Place: Chennai
Date: May 19, 2023

Certificate of Non-Disqualification of Directors

[Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members of
VA TECH WABAG LIMITED
Corporate Identity Number: L45205TN1995PLC030231
"Wabag House", No. 17, 200 Feet Thoraipakkam -
Pallavaram Main Road,
Sunnambu Kolathur Chennai,
Tamil Nadu 600117, India

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, Tamil Nadu** (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 and 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 and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending March 31, 2023 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	Designation	Date of appointment in the Company
1	Mr. Rajiv Mittal	01299110	Chairman and Managing Director	27/09/2000
2	Mr. Milin Mehta	01297508	Non-Executive Independent Director	29/04/2019
3	Mrs. Vijaya Sampath	00641110	Non-Executive Independent Director	31/07/2020
4	Mr. Ranjit Singh	01651357	Non-Executive Independent Director	11/11/2020
5	Mr. Amit Goela	01754804	Non-Executive Non-Independent Director	19/07/2021
6	Mr. S Varadarajan	02353065	Whole Time Director	24/06/2015

Ensuring the eligibility 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
FRN: L2019TN006000
PR 1374/2021
ICSI UDIN: F005837E000337729

Place: Chennai
Date: May 19, 2023

WABAG

sustainable solutions. for a better life.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

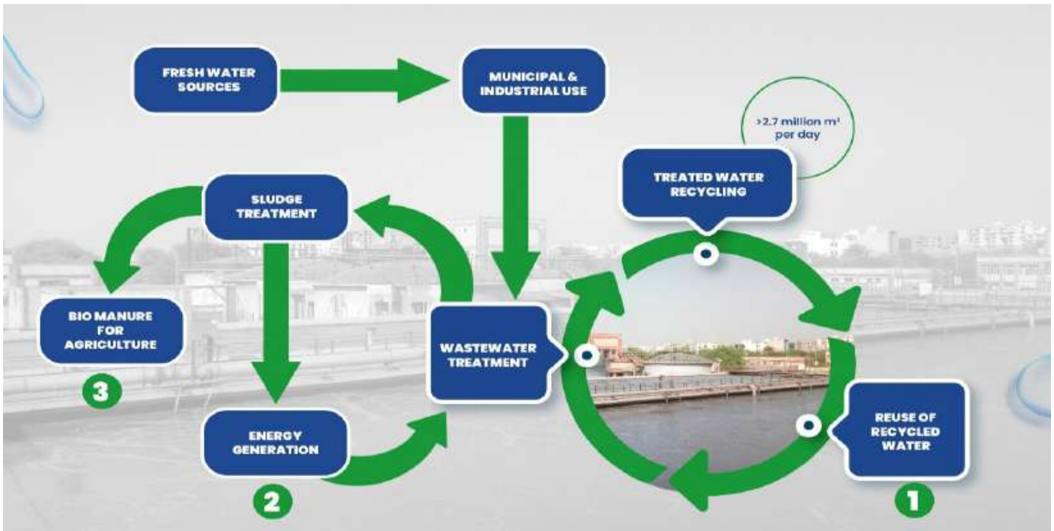
FY 2022-23

Cleaner Solutions for a Greener World

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

*Driven by an unwavering commitment to a sustainable future, **WABAG** remains steadfast in fostering ecological equilibrium, promoting societal & stakeholder's welfare, and ensuring long-term economic sustainability. Guided by a deep sense of responsibility, we recognize the interconnectedness of our actions with the well-being of the planet, the communities we serve, and the prosperity of the global economy. Our tag line "**sustainable solutions for a better life**" emphasizes that, **WABAG** is committed towards providing sustainable solutions that benefit the planet and its inhabitants with focus on resource efficiency and environmental stewardship.*

*We strive to lead the way in the water industry by embracing innovative technologies and sustainable practices while providing end-to-end solutions for **Water Treatment, Wastewater Treatment, Desalination and Recycle & Reuse**, through various modes such as EPC, O&M, BOOT, HAM & PPP, we ensure that our solutions cater to diverse needs and contexts. In line with our "**Cleaner Solutions for a Greener world**", we also aim to lead the way towards a greener and more resilient future by actively engaging in making our plants energy neutral through green energy from biogas, which has enabled WABAG reducing the GHG emissions by > 630 tonnes per day. This allows us to not only treat wastewater efficiently but also extract valuable resources, reducing waste and promoting circularity by rejuvenating and recharging water resources.*



Extracting Maximum Potential from all Components

__Manufactured water__ is an area, where we will be further intensifying our efforts going forward to ensure water security. Throughout the years, we, being a self-reliant industry have made significant contributions in protecting environment through our Desalination and Water Reuse plants built across the geographies. By expanding our focus on manufactured water, we address the growing need for alternative water sources and contribute significantly to water sustainability. By aligning our practices with one of the global agenda SDG 6, we play a vital role in providing clean, safe and affordable drinking water for general public, thereby addressing the world's water challenges.

*The growth and longevity of any company is propelled not just by the organization itself, but by the Individuals who construct them and provide leadership. **Our unwavering commitment to enhancing employee well-being is deeply ingrained in our corporate culture**. We hold great reverence for the welfare and dignity of our employees, fostering an environment that is secure, inclusive, and supportive. This environment promotes personal growth, celebrates diversity, and ensures equal opportunities for all. WABAG is actively engaging in training and development for its employees. These initiatives aim to expand their knowledge beyond their specific domains and provide them with a broader understanding of the sector. We firmly believe that prioritizing the health and safety of our employees directly contributes to a productive and efficient Human Capital that propels overall success of our organization. Therefore, we regularly arrange various health check-ups, safety training sessions, and mock drills to continually enhance safety awareness, measures and promote well-being. Employee health and well-being* *has been a key priority at WABAG. WABAG has been ranked amongst **world's healthy work places** by Arogya World for its exemplary commitment to employee health and well-being. WABAG contributes significantly in training young talent by significant participation in apprenticeship programs promoted by Government of India under the National Apprenticeship Promotion Scheme (NAPS), National Apprenticeship Training Scheme (NATS) Programmes and our in-house Graduate Engineers Trainee (GET) / Junior Engineers Trainee (JET) / Management Trainee (MT) Programmes. The objective here is to develop skills among these young engineers that are relevant for Capacity building for water treatment industry through hands-on industry exposure and thus contributing to building a **Skilled India**.*

WABAG has recently been recognized as the "Most Preferred Workplace 2023" by Marksmen Daily, at the 3rd edition of Most Preferred Workplace 2023. This prestigious honour is a testament to the trailblazing work and dedication epitomized by WABAG in creating a better paradigm that shapes both industry and society. WABAG believes in fostering a culture of excellence, innovation, and inclusivity, thereby creating an environment where talented team can thrive, collaborate, and make a real difference in the world. This recognition reaffirms WABAG's commitment to providing a workplace that inspires and empowers its employees.

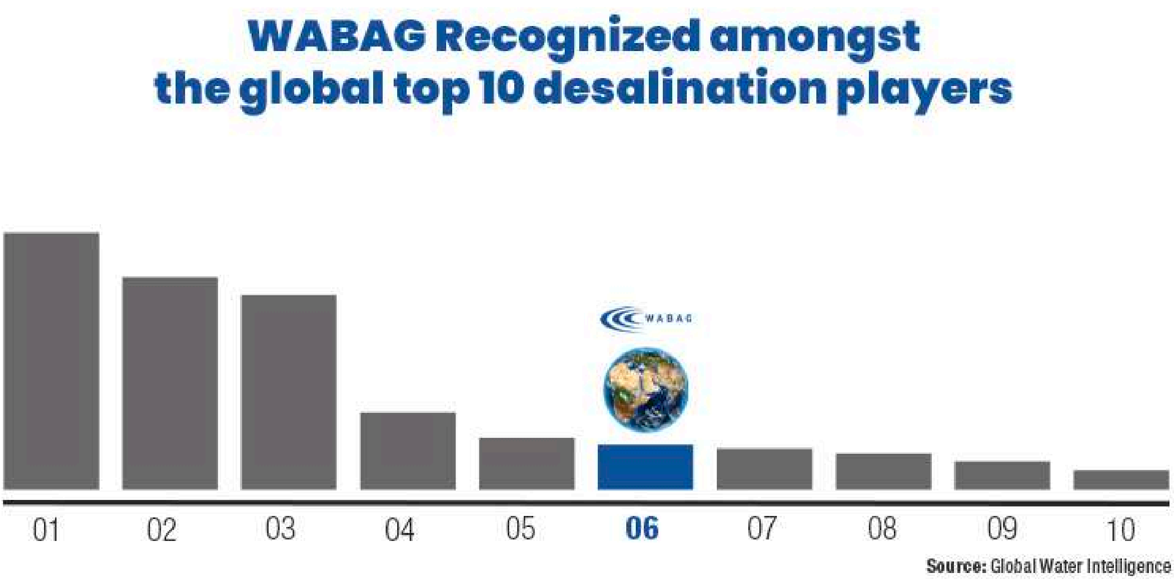
WABAG's commitment to health and well-being of its employees is a holistic approach that can have numerous benefits for both, its employees and the organization as a whole. WABAG's consistent efforts on this path has been appreciated by Arogya World by conferring the "Healthy Workplace Award 2023" to the organization.

Not just within the organization, we also actively collaborate with local communities, governments, and non-profit organizations, addressing their distinct needs and making meaningful contributions through our Corporate Social Responsibility initiatives to uplift some communities. ***WABAG*** *has so far implemented 24 projects focused on Water Conservation, Water Augmentation, Sanitation, and Wetlands Management. These projects have resulted in significant improvements in the lives and livelihoods of marginal farmers, girl students, and children.*

Ensuring economic sustainability *is a fundamental pillar of our business strategy. We believe that long-term success can only be achieved by integrating economic viability with environmental and social considerations. By pursuing sustainable growth, diversifying our revenue streams, and driving operational excellence, we aim to create shared value for our stakeholders, shareholders, and the wider society.*

At WABAG, we have consistently delivered substantial returns to our investors over the years. We take pride not only in generating profits through our business endeavors but also in positively impacting lives and preserving our limited natural resources. The satisfaction we derive from our work stems from the fact that we are not just earning money, but also impacting the people and the planet positively.

While many companies contribute to society from what they have earned, our business revolves around earning by giving back to society. *This allows us to achieve financial success while simultaneously addressing societal needs and challenges around availability, security and quality of clean & safe drinking water, reliable & affordable water for industries and protecting the environment from discharge of untreated effluents and Greenhouse gas (GHG) emissions. By prioritizing sustainability and responsible practices, we aim to create a positive and lasting impact on the world around.*



SECTION A: GENERAL DISCLOSURES

I. Details of the Listed Entity:

1. **Corporate Identity Number (CIN) of the Listed Entity:**	L45205TN1995PLC030231
2. **Name of the Listed Entity:**	VA TECH WABAG LIMITED
3. **Year of incorporation:**	1995
4. **Registered office address:**	"WABAG HOUSE", NO. 17, 200 FEET THORAIPAKKAM - PALLAVARAM MAIN ROAD, SUNNAMBU KOLATHUR CHENNAI 600117, TAMIL NADU
5. **Corporate address:**	"WABAG HOUSE", NO. 17, 200 FEET THORAIPAKKAM - PALLAVARAM MAIN ROAD, SUNNAMBU KOLATHUR CHENNAI 600117, TAMIL NADU
6. **E-mail:**	companysecretary@wabag.in
7. **Telephone:**	+ 91 44 6123 2323
8. **Website:**	www.wabag.com
9. **Financial year for which reporting is being done:**	April 01, 2022 - March 31, 2023
10. **Name of the Stock Exchange(s) where shares are listed:**	National Stock Exchange of India Limited and BSE Limited
11. **Paid-up Capital:**	INR 12,43,80,856/-
12. **Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:**	*Name:* Mr. S Varadarajan *Designation:* Whole Time Director & Chief Growth Officer *Telephone:* +91 44 6123 2323 *Email ID:* varadarajan@wabag.in
13. **Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):**	The disclosures under this report are made on a Standalone basis, unless otherwise specified.

II. Products / Services:

14. **Details of business activities (accounting for 90% of the turnover):**

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Engineering, Procurement and Construction and Operation and Maintenance of water and waste water treatment plants including PPP projects under HAM and BOOT Models. *[Group Code: “E”]*	a) EPC of Water and Waste water treatment Plants including Desalination, Reuse and recycle of waste water, industrial effluent treatment, Sewage treatment and handling of sludge for production of green power and resource recovery.	87.6%
		b) O&M of above facilities. *[Code: “E1”, “E2” & “E3” – Instruction Kit for e-Form MGT-7 for filing Annual Return of the Company]*	12.4%

15. **Products / Services sold by the entity (accounting for 90% of the entity's Turnover):**

S. No.	Product / Service	NIC Code	% of total Turnover contributed
1	EPC and O&M of Water and Wastewater Treatment Plants including Desalination, Reuse and Recycle of Wastewater, Industrial Effluent Treatment, Sewage Treatment and Sludge Management, production of Green Power and Resource Recovery.	3600	100%

III. Operations:

16. **Number of locations where plants and / or operations / offices of the entity are situated:**

Locations	Number of plants	Number of offices	Total
National	55	5	60
International	17	10	27

17. **Markets served by the entity:**

a. Number of locations:

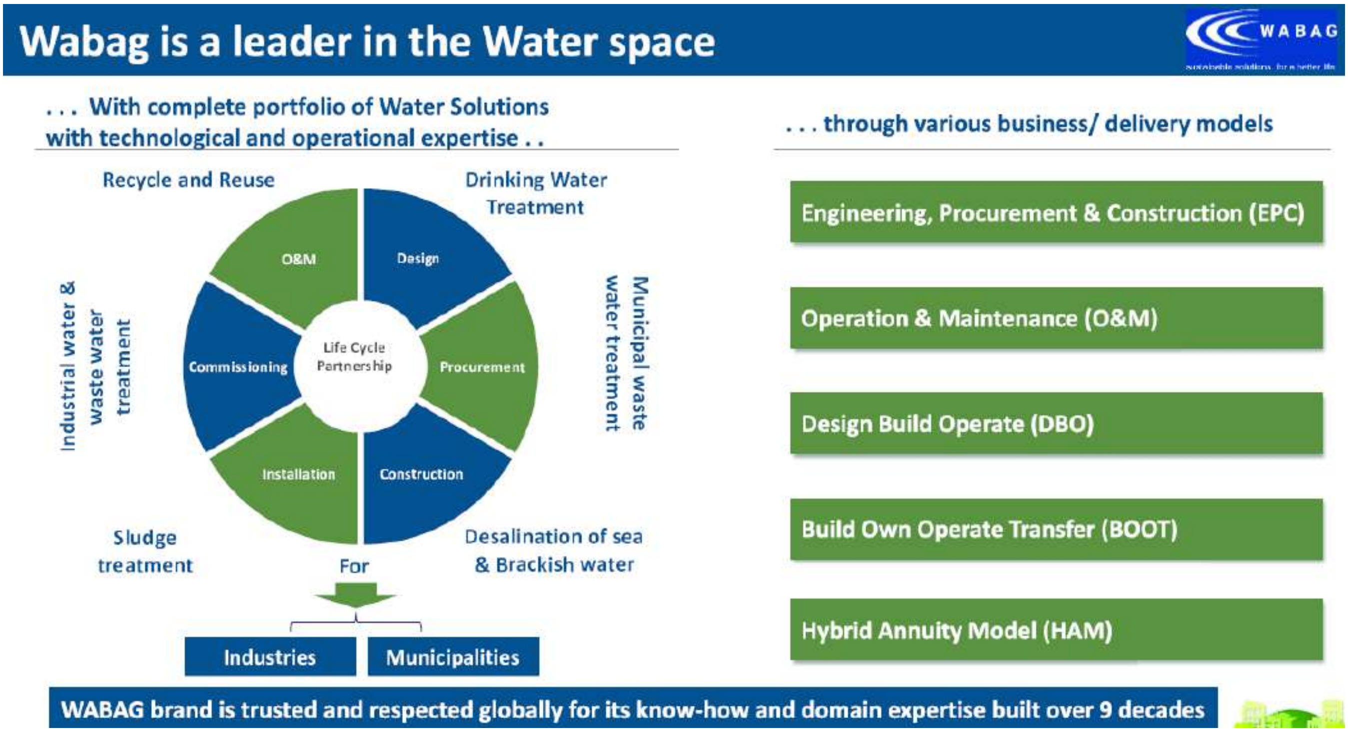
Locations	Number
National (No. of States)	16
International (No. of Countries)	27

b. What is the contribution of exports as a percentage of the total turnover of the entity?

The contribution of exports as a percentage of the total turnover of the standalone entity is 34.8%.

c. A brief on types of customers:

WABAG has established itself as a prominent global leader and lifecycle partner in the field of water and wastewater management. We specialize in providing comprehensive solutions, encompassing design, engineering, procurement, construction, commissioning, as well as operation and maintenance services for Water Treatment, Wastewater Treatment, Desalination, Recycle & Reuse, and Sludge Treatment plants.



WABAG's Key Municipal & Industrial clients are as under:

Municipal	Industrial
PUB Singapore's National Water Agency	Dangote
Kingdom of Bahrain Ministry of Housing	Marafiq
Delhi Jal Board Government of NCT of Delhi	Reliance Industries Limited
Uttar Pradesh Jal Nigam	HMEL
Maynilad	Purolite
CMWSSB Chennai Metropolitan Water Supply & Sewerage Board	ONGC MRPL
Bangalore Water Supply and Sewerage Board	Petronas
Dhaka WASA	NMDC
SONEDE	IndianOil
BUIDCO Bihar Urban Infrastructure Development Corporation Limited	OMV Petrom
SONES	SIBUR
Manila Water Care in every drop	PepsiCo
Haya	
Ashghal Qatar Deserves The Best	

At WABAG, we contribute to Customers in both Municipal and Industrial sectors. Our Municipal clients comprises of Government Water and Sewerage authorities and other related entities. Large part of the order book consists of projects funded by multilateral, bilateral, central government funding agencies.

On the other hand, our Industrial customers consist of companies operating in sectors such as Oil & Gas, Petrochemicals, Food and Beverage, Power, Steel, Fertilizers, Microelectronics, and others.

As on March 31, 2023 on a consolidated basis, WABAG has an order book of ~ INR 13,219 Crore (including framework projects) out of which:

- 86% is from Municipal and 14% from Industrial clients;
- 64% from India and 36% from Rest of the World;
- 61% from EPC and 39% from O&M.

IV. Employees

18. **Details as at the end of Financial Year:**

a. Employees and Workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
	EMPLOYEES					
1	Permanent * (D)	847	774	91.4%	73	8.6%
2	Other than Permanent ** (E)	207	188	90.8%	19	9.2%
3	**Total Employees (D + E)**	**1054**	**962**	**91.3%**	**92**	**8.7%**
	WORKERS					
4	Permanent (F)	We do not have any factories or production facilities; hence we do not have any workers on our rolls.				
5	Other than Permanent (G)					
6	**Total Workers(F + G)**					

*consisting of Regular & Trainees

**consisting of Contract, Corporate & Project Consultants

b. **Differently abled Employees and Workers:**

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1	Permanent (D)	3	3	100%	0	-
2	Other than Permanent (E)	1	0	-	1	100%
3	**Total differently abled employees (D + E)**	**4**	**3**	**75%**	**1**	**25%**
DIFFERENTLY ABLED WORKERS						
4	Permanent (F)	We do not have any factories or production facilities; hence we do not have any workers on our rolls.				
5	Other than Permanent (G)					
6	**Total differently abled workers (F + G)**					

19. **Participation/Inclusion/Representation of women:**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.67%
Key Management Personnel	7	0	-

20. **Turnover rate for permanent employees and workers (Trends for the past 3 years):**

	FY 2022-23 (Turnover rate in current FY) (in %)			FY 2021-22 (Turnover rate in previous FY) (in %)			FY 2020-21 (Turnover rate in the year prior to the previous FY) (in %)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	26.4%	28.2%	26.5%	24.2%	32.7%	24.9%	17.5%	36.1%	19.3%
Permanent Workers	We do not have any factories or production facilities; hence we do not have any workers on our rolls.								

V. Holding, Subsidiary and Associate Companies (including joint ventures)

21. **(a) Names of holding / subsidiary / associate companies / joint ventures**

Refer Annexure-III to the Board's Report (forming part of the Annual Report) for information on holding / subsidiary / associate companies / joint ventures.

VI. CSR Details

22. **(i) Whether CSR is applicable as per section 135 of the Companies Act, 2013:** Yes

(ii) Turnover (INR in Lakhs): 2,32,530

(iii) Net worth (INR in Lakhs): 1,25,905

The highlights of the Company's CSR interventions are reported in the Annual Report on CSR Activities [Refer Annexure-IV to the Board's Report (forming part of the Annual Report)].

VII. Transparency and Disclosures Compliances

23. **Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

WABAG Code of Conduct (WCoC) is a comprehensive document for ethical conduct for all internal and external stakeholders of the Company, thus, covering 100% of its operations. There are defined channels for receiving complaints / grievances from the stakeholders and these are addressed promptly upholding the ethical standards. Further WABAG' stakeholders include its investors, clients, employees, vendors / partners, governments, and the community. A strong whistleblower policy is available to all the stakeholders of WABAG, which has been uploaded in our website at https://www.wabag.com/compliances/.

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) *(If Yes, then provide web-link for grievance redress policy)*	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes https://www.wabag.com/compliances/	0	0	0	0	0	0
Investors (other than Shareholders)		0	0	0	0	0	NA
Shareholders		2	0	Complaints received towards demat of shares and Non receipt of AR	3	0	Complaints received towards Non-receipt of Dividend Warrant
Employees and workers		1	0	Complaint is closed	1	0	Complaint is closed
Customers		0	0	0	0	0	0
Value Chain Partners		0	0	0	0	0	0
Other (please specify)		0	0	0	0	0	0

24. **Overview of the entity's material responsible business conduct issues:**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Environment & Social (E&S)	O	WABAG's innovative technologies and processes not only enhance effectiveness of renewable resources but also reduce adverse environmental impact. WABAG has sustainable approach that aims at promoting and sustaining both economic and social wellbeing as well as environmental protection through offering customized water solutions viz., wastewater treatment, drinking water treatment, water recycle & reuse, industrial water & effluent treatment, desalination and sludge treatment.	N.A	Positive: Scope to increase WABAG's business opportunity.
2	Health & safety	R/O	Health and safety of our employees when taken care at work place leads to productivity enhancement.	Everyone has authority to stop the unsafe activity. Periodic Medical checkup. Training / awareness / technological upgradation / Review at senior / middle level. WABAG is committed to achieve zero harm to all living.	Positive: This will enhance WABAG's ability to attract, hire, train, engage and retain talent.
3	Timely Execution	R/O	Timely execution enhances the brand value in the eyes of stakeholders and also protects the project results.	Conducting delay analysis, catch up plan, enhancement of resources where required, innovative solution to bottlenecks and periodic review on action taken.	Positive: Will attract more business and reputation for WABAG.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Climate Change	O	WABAG is consistently reshaping the Sector for a Greener tomorrow and creating a circular economy by way of (i) following path to net zero through reducing GHG emission > 630 tonnes per day using its sustainable solutions; (ii) being Water neutral by effective usage of recycled water (2.5 million m3 wastewater recycled per day); (iii) generating waste to energy > 40 MW green energy per day; and (iv) generating valuable resources from waste.	N.A	Positive: Initiatives taken on climate change has a positive implication towards WABAG's business
5	Quality Control (QC)	R/O	Compliance to quality standards committed to WABAG and customer leads to enhance brand image, economical in long term and contributes to timely project completion.	- Assessment as per check list Approval on rating scored. - Knowledge competent personnel selection & allocation for the inspection TPI-resume is verified before allocating inspection Skill matrix of WABAG inspectors, TPI shall be monitored & inspection assignments to be allocated as per competency matrix.	Positive: Will attract more business and reputation for WABAG and will also improve operational efficiency.
6	Corporate Governance	R/O	Being a listed Entity, we need the top most compliance in all aspects. Good governance leads to good brand image and attract investors and other stakeholders.	- Policy, procedure and reviews of the Company is designed to meet regulatory compliance. - Diversity and independence of the Board. - Review and timely action on non-compliance. - Periodic circulation of Code of conduct, training on awareness to KMP/employees and familiarization program for the directors. - Risk management and oversight of the Board.	Positive: Brand value and reputation of WABAG be retained.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Training, education and development	R/O	Availability of trained manpower fit for job impacts the growth of business positively apart from providing motivation to individuals who are trained.	- Focus on Learning and development of existing manpower through Individual Development Programme (IDP). - Hire fresh talent from good colleges and groom them for requirement. - Leadership Development Programme for different age groups as part of succession planning.	Positive: Improvement in Productivity and reduction in employee turnover.
8	Community engagement	O	To be a good corporate citizen. We engaged through community meetings, public consultations, social media, trade shows / exhibitions and surveys and delivered CSR programmes by using varied technologies to recycle and re-use water and leveraging latest technology for quality assurance. Most of WABAG's CSR programmes are participatory in nature and focus on institution development and capacity building. Once WABAG creates community assets, the assets are maintained by the local community themselves by setting up a local village committee which WABAG insists upon, which impacts a sense of ownership among the communities.		Positive: Will gain trust and credibility for WABAG.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9	Resource availability	R/O	Timely availability of resource is key for project progress	- Manpower availability through outsourcing to competent and resourceful agencies. - Advanced procurement planning and review of progress in ordering. - Closely coordinate with all stakeholders on cash flow situation for timely availability.	Positive: Timely execution of projects and enhancing the efficiency.
10	Renewable energy	O	Use of renewable energy and conservation of energy is the need of the hour. Over 97% of the total power requirement of WABAG's 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. WABAG has installed solar energy based lighting equipment for its MRPL plant so that renewable energy is used, by using special membranes in the said plant for RO section which consumes much lower energy. This saves energy and also contributes to environment protection from emission of carbon. We stand true to our presence in a sunrise sector. We executed a Sewage Treatment Plant (STP) in Sanliurfa, Turkey wherein the sludge drying component was powered by solar energy.	-	Positive: Saves energy and also contributes to environment protection from emission of carbon.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Sustainable Supply Chain	O	Sustainable sourcing from supply chain addresses Long term DBO contract risk management and economics. WABAG endeavours to integrate sustainability in the procurement of goods / products required for setting up / maintaining the plants / projects.	-	Positive: Will improve business execution.
12	Innovation and Digitization	O	Execute projects with ease and be competitive. Higher productivity and lower operational cost. 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. Further, WABAG is in the process of Digitization initiative to automate the Operations & Maintenance Process with minimal manpower. With the commitment of Go-Green initiative of the Government, WABAG uses digital mechanism to conduct Board / Committee Meeting(s) for ease of access to the Directors thereby reducing usage of papers to a limited	-	Positive: Will reduce cost and improve the productivity.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			purpose. We took various initiatives to reduce the usage of physical Annual Reports by continuously persuading the Shareholders 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. WABAG focusses on Water Treatment Plant with Space Saving Technology. With respect to clean development mechanism and clean technology, WABAG has been focusing on Zero Liquid Discharge system (ZLD).		
13	Ethics and integrity	O	Higher value system leads to higher brand image. WABAG's approach covers key principles of transparency, responsibility and accountability. Across the organization, WABAG 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 the Employees,	-	Positive: Will improve brand image and increase investors' confidence.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
			Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Policy on Prevention of Sexual Harassment, Whistle blower policy, Anti-Bribery – Anti Corruption policy etc. The codes and policies communicate WABAG's 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.		
14	Intellectual Property	R	Leakage of confidential Information. IP infringement actions from outside firms.	1) Patent filing; Regular patent awareness Sessions; 2) Consultation with experienced patent attorneys; 3) Data exchange with vendors / customer only through secured mode; 4) Entering into NDA with parties for exchanging confidential information.	Negative: Impacts the brand reputation in the industry thereby leading to financial loss.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements:

Principles of BRSR:

P-1 : Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

P-2 : Businesses should provide goods and services in a manner that is sustainable and safe

P-3 : Businesses should respect and promote the well-being of all employees, including those in their value chains

P-4 : Businesses should respect the interests of and be responsive to all its stakeholders

P-5 : Businesses should respect and promote human rights

P-6 : Businesses should respect and make efforts to protect and restore the environment

P-7 : Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

P-8 : Businesses should promote inclusive growth and equitable development

P-9 : Businesses should engage with and provide value to their consumers in a responsible manner

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	a. **Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)**	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. **Has the policy been approved by the Board? (Yes/No)**	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. **Web Link of the Policies, if available**	https://www.wabag.com/compliances *[1. Whistle Blower Policy; 2. Code of Conduct for Board Members and senior management personnel of your Company; 3. Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions; 4. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information & Policy for identifying Legitimate Purpose; 5. Policy on determining Material Subsidiaries; 6. Policy for determination of Materiality for disclosure of Events or Information; 7. Policy on preservation & archival of documents; 8. Dividend Distribution Policy; 9. Nomination, Evaluation & Remuneration Policy; 10. Risk Management Policy; 11. Corporate Social Responsibility Policy; 12. Sustainability Policy; 13. Policy on Cyber Security Data Privacy; 14. Equal Opportunity Policy; 15. Policy on Business Responsibility and Sustainability Report; 16. Policy on Grievance Redressal; 17. Policy on Preferential Procurement; 18. Policy on Human Rights]*									
2	**Whether the entity has translated the policy into procedures. (Yes / No)**	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	**Do the enlisted policies extend to your value chain partners? (Yes/No)**	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	**Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, and Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.**	WABAG is committed to providing innovative and sustainable water technology solutions to its customers. To ensure completion of our projects ensuring the highest quality, we offer structural safeguards through the implementation of the WABAG Integrated management system, which conforms to international standards ISO 9001:2015. HSE System is well established for international standards like ISO 14001:2015 for Environmental management system and ISO 45001:2018 for Occupational Health and safety Management system The well-developed procedures ensure utmost client satisfaction culminating into state of the art water treatment solutions.								

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	**Specific commitments, goals and targets set by the entity with defined timelines, if any.**	Specific commitments, goals and targets set by the entity were mentioned in the Director statement in section B Point no 7								
6	**Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.**	Performance against the Specific Commitments, goals and target were mentioned in the Director statement in section B Point no 7								

Governance, leadership and oversight

7 Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:

WABAG is teamed with 4 trained professionals as Sustainability Coach, certified by the external Learning Partner and necessary training is imparted to our employees on the matters of ESG

Targets:

1. Zero liquid discharge system in WABAG House.
2. 100% power consumption from Renewable energy in WABAG House.

Achievements

1. Energy Globe Award – National Winner
2. Conferred with the prestigious Energy Globe Award 2022 for its sustainable wastewater treatment and water recycling plant at Madinaty, Cairo, Egypt
3. Construction Times Awards 2023 – Desalination Project of the Year
4. Won “Desalination Project of the Year” award at Construction Times Awards 2023 for 30 MLD SWRO plant built for MRPL at Mangalore, Karnataka
5. Water Digest Water Awards 2022-23 – Best Water Treatment Solution Provider
6. Conferred with the “Best Water Treatment Solution Provider” for ensuring Water Security and Environment Sustainability for millions of people across the globe
7. CII – EHS Excellence Awards 2023 - Received 2 prestigious laurels for our 140 MLD Dinapur STP, Varanasi and One City One Operator initiative at Agra, Uttar Pradesh.
8. TOP 3 Global Water Leaders and Global Asian of the year 2022

	Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	   									
8	**Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**	Mr. S Varadarajan, Whole Time Director and Chief Growth Officer								
9	**Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**	Yes, the BRSR Committee of the Board is responsible for sustainability related issues.								
10	**Details of Review of NGRBCs by the Company:** Periodic reviews are conducted by the Company internally, however specific issues on NGRBCs are also addressed on a need to need basis.									
	Subject for Review	**P1**	**P2**	**P3**	**P4**	**P5**	**P6**	**P7**	**P8**	**P9**
	Performance against above policies and follow up action									
	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee	Yes, by Whole Time Director								
	Frequency [Annually(A)/Half-yearly (HY)/Quarterly (Q)/Any other – please specify]	A	A	A	A	A	A	A	A	A
	Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances									
	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee	Yes, by Whole Time Director								
	Frequency (Annually (A) / Half yearly (HY) / Quarterly (Q) / Any other – please specify)	A	A	Q	H	A	Q	A	A	A
11	**Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes / No). If yes, provide name of the agency.**	Yes, independent assessment / evaluation is carried out in major EPC and O&M plants, processes by M/s BVCI (Integrated Management System), M/s Deloitte (E&S and HSE) and M/s KBS (Assessment as per AA1000 AS).								

12. **If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:**

Not Applicable since the policies of the Company cover all Principles on NGRBCs.

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the Principles during the financial year

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programs
Board of Directors	During the FY 2022-23, Updates / awareness presentations were made to the Board members during the quarterly meeting pertaining to business, regulatory, safety, ESG matters, etc. These matters provided insights on the said Principles.		100%
Key Managerial Personnel	9	WABAG Code of Conduct	100%
Employees other than BoD & KMPs	10	DNA of Wabag	100% (Mandatory during induction)
Workers	We do not have any factories or production facilities; hence we do not have any workers on our rolls.		

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

The Company had no monetary and non-monetary fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year 2022-23 based on materiality thresholds.

Monetary					
	NGRBC Principle	Name of the Regulatory / enforcement agencies / judicial institutions	Amount (in INR)	Brief of the Case	Has the appeal been preferred? (Yes / No)
Penalty / Fine	-	-	NA	-	-
Settlement	-	-	NA	-	-
Compounding Fee	-	-	NA	-	-
Non-Monetary					
	NGRBC Principle	Name of the Regulatory / enforcement agencies / judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes / No)	
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the Regulatory / enforcement agencies / judicial institutions
Not Applicable.	

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. VA Tech WABAG Limited has laid down a detailed policy on Anti-Bribery and Anti-Corruption *(which is available in the Company's intranet portal)* that supports the principles in relation to business ethics and anti-corruption. WABAG requires all its employees to comply fully with all applicable laws and regulations in the territories where the Company conducts business, and to adhere to high standards of ethical conduct.

WABAG's Code of Conduct, which is available in Company's intranet portal, applies both to suppliers and business partners of WABAG. Also depending on specific contracts any incremental requirement of Anti-bribery/ Anti-corruption compliance need is also addressed.

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

No Directors / KMPs / employees / workers were involved in bribery / corruption both in FY23 and FY22. On above grounds, no action was taken by any law enforcement agency.

	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard to conflict of interest:

No complaints were received with regard to conflict of interest against Directors/KMPs in FY23 and FY22.

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest: Nil

Leadership Indicator

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
12,601	HSE related, ESG related, risk assessment related, ESMP Performance related, Legal related, general ethics, Code of conduct, Operation Related, Company policies and Procedures, labor laws, stakeholder engagement Training.	~65%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/ No) If Yes, provide details of the same.

Yes, the Company has the following policies in place to avoid/manage the conflict of interest involving members of the Board:

1. Code of Conduct for Board Members and Senior Management Personnel.
2. Code of conduct for prevention of Insider Trading.
3. Code of Practices and Procedures for disclosure of Unpublished Price Sensitive Information.
4. Whistle Blower Policy.
5. Policy for Materiality of Event.
6. Policy on Related Party Transaction.

PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe:

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:

	Current Financial Year (FY 2022-23)	Previous Financial Year (FY 2021-22)	Details of improvements in environmental and social impacts
R&D	100%	100%	The R&D expenditures were spent in specific technologies (e.g. in a zero liquid discharge technology, Ceramic membranes) to improve the environment.
Capex	-	-	-

2a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Yes

2b. If yes, what percentage of inputs were sourced sustainably?

We have a holistic approach for supply chain partners in the supplier selection, Supplier evaluation and supplier audit plan. We have Integrated Management System (IMS) and sustainable procurement policy in place. Going forward, we plan to track the sustainable sourcing for analysis and improvement.

However, in WABAG, all Value Chain Partners are evaluated for WABAG's HSEQ parameters before their on boarding and it has 70% coverage.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

Projects and operational facilities are implemented with ESHS Systems and Procedures in place.

We have specific operational control procedures to handle hazardous and non-hazardous waste which will mandatorily fulfill the requirements of environmental law and regulations and contractual requirements. We are implementing 5R *('Reduce', 'Reuse', 'Recycle', 'Refuse' and 'Recover')* in Projects and operational facilities.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

EPR is not applicable as the major business of WABAG is EPC, O&M and WABAG does not manufacture any products used in construction of our plants.

Leadership Indicator

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No) If yes, provide the web-link
Not Applicable					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
Not Applicable		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Not Applicable		

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format: Not applicable

	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Not applicable	

PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1a. Details of measures for the well-being of employees:

Our Company is committed to helping employees to improve their health and wellbeing. Our employee wellbeing is focused on three (3) broad areas - Health, Wellness and Safety. It becomes a business imperative with measurable improvement including the health and wellbeing status of our employees. Our benefits and wellbeing program is a comprehensive and integrated approach to wellbeing based on employee needs. It goes beyond physical health to include emotional and financial health and safety. It provides a broad array of resources to help employees create healthy habits by changing behaviors one step at a time.

Movement - Physical activity plays a key role in employee health, both today and in the future. Our Company makes it easier to integrate fitness into a daily routine. *We have state of the art Gym facility and Games facility in our office which help our employees to utilize it.*

Balanced Weight - Our Company provides resources to help employees to better understand nutrition and achieve a healthy weight. *Three (3) times Balanced meals are provided in our office cafeteria for all employees*.

Mental Wellness - Our Company offers education, tools and services to help employees enhance their emotional and mental wellbeing. We offer a state of the art Library with books covering a range of topics like technical, professional, business, management, etc. We also have wide range of Print dailies, monthly newsletters and magazines to keep the staffs abreast of state of affairs. Regular training programmes and yoga classes are conducted.

Prevention - When it comes to wellbeing, prevention is our top priority. Through Prevention, our Company offers many programmes and resources to optimize physical health, including periodic health checkup and a commitment to all our work-facilities becoming tobacco free.

Employee champions - Champions are employee volunteers who support, motivate, educate and inspire their colleagues to live healthier, more enriched lives. We're particularly proud of our employees' commitment to helping one another and the success of this volunteer program across our Company.

Internal Trainers or WABAG Gurus - We are leveraging the subject matter experts' experience in the Niche industry like us and make them share their knowledge among WABAGites in a forum called 'Enrich' in every week. We identify the internal trainers and call them WABAG Gurus. Most of our technical training needs are met by our internal trainers. All the trainers will be sharing their knowledge pertaining to their domain and function.

Mentor Mentee Programme - As part of the Talent development initiatives, we have Mentor- Mentee programme in WABAG. All the talents are assigned with a Mentor within the organization. With regard to GETs for smoother transition of the campus to corporate culture, each of the trainees is assigned a Mentor preferably from the same discipline. The purpose of this is to provide Mentees with necessary inputs in handling work criticalities, making choices on departments and to track progress of their learning syllabus. Each trainee of different discipline has been entrusted with a set of learning syllabus. These Mentor Mentees ought to meet every fortnight to review the Mentee's learnings at the workplace. When there is a lag in the learnability at the incumbent role, the Mentor will be able to guide the Mentee to take up a job rotation inside the organization for betterment. On frequent intervals, the feedback will be collected from both *"Mentors on Mentees"* and *"Mentees on their respective Mentors"*. In case of any grievances, HR would reallocate a new Mentor.

Health: It is mandatory for all employees up to 40 years of age to undergo medical checkup once in every two (2) years and employees above 40 years of age shall undergo annual medical checkup. The Company also provides super specialty medical consultations in reputed hospitals for the employees every year apart from the medical check up to support those who are in need of same. The Company provides healthy options of food in its cafeteria for the employees in the interest of their health. The Company also provides facility for indoor games and gymnasium in the interest of health of its employees.

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	774	774	100%	774	100%	-	-	-	-	-	-
Female	73	73	100%	73	100%	73	100%	-	-	-	-
Total	847	847	100%	847	100%	73	100%	-			
Other than Permanent employees											
Male	188	174	93%	188	100%	-	-	-	-	-	-
Female	19	19	100%	19	100%	19	100%	-	-	-	-
Total	207	193	93%	207	100%	19	100%	-			

1b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers:											
Male	We do not have any factories or production facilities; hence we do not have any workers on our rolls.										
Female											
Total											
Other than Permanent Workers											
Male	We do not have any factories or production facilities; hence we do not have any workers on our rolls.										
Female											
Total											

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year:

Benefits	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	We do not have any factories or production facilities; hence we do not have any workers on our rolls.	Y	100%	We do not have any factories or production facilities; hence we do not have any workers on our rolls.	Y
Gratuity	100%		Y	100%		Y
Superannuation	100%		Y	100%		Y
Insurance Coverage	100%		Y	100%		Y
ESI	All employee remuneration are more than the ESI ceiling wages		N.A	4.70%		Y

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company believes in addressing the need of differently abled employees in its offices/facilities. The Company's Equal opportunity policy covers provision of rights of person with disabilities. Our largest establishment is in Chennai (Head office) and we have duly provided for easy entrance at ground floor till top floor through lifts without any steps. We have also provided separate washrooms for disabled employees in each floor (total nine floors).

4. Does the entity have all opportunity as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. Web-link attached. https://www.wabag.com/compliances/

5. Return to work and Retention rates of permanent employees and workers that took parental leave.e.

Gender	Permanent employees		Permanent workers	
	Return to work	Retention rate	Return to work	Retention rate
Male	NA	NA	We do not have any factories or production facilities; hence we do not have any workers on our rolls.	
Female	2 out of 3	67%		
Total	2 out of 3	67%		

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes / No(If yes, then give details of the mechanism in brief
Permanent Workers	We do not have any factories or production facilities, hence we do not have any workers on our rolls.
Other than Permanent Workers	
Permanent Employees	Yes. HR Grievance Portal is available to Employees for Grievance redressal. Access is also available to employees to communicate directly to management through the intranet portal where employees can named basis or anonymous basis provide feedback/express grievance. Such grievances are immediately addressed. In all our facilities, we implemented grievance redressal procedure to capture the grievance from workers, vendors, communities and other stakeholders. The action against the grievances are taken in the immediate basis, communicated to the concern person and getting confirmation from them.
Other than Permanent Employees	

7. Membership of employees and workers in association(s) or Unions recognized by the entity:

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	847	0	0%	933	0	0%
- Male	774	0	0%	857	0	0%
- Female	73	0	0%	76	0	0%
Total Permanent Workers	We do not have any factories or production facilities, hence we do not have any workers on our rolls.					
- Male						
- Female						

8. Details of training given to employees and workers:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	On Health and safety measures		On skill upgradation		Total (D)	On Health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F / D) *
We had provided training opportunities to all the employee on health and safety measures										
Employees										
Male	962	962	100%	591	61%	971	971	100%	870	92%
Female	92	92	100%	81	88%	84	84	100%	80	95%
Total	1054	1054	100%	672	64%	1055	1055	100%	950	90%

*In comparison with the FY 2021-22, training percentage has been reduced reason being more employees have been participated through online during the FY 2021-22.

Workers	
Male	We do not have any factories or production facilities; hence we do not have any workers on our rolls.
Female	
Total	

9. Details of performance and career development reviews of employees and worker:

Employees: The Company has a robust Performance Management System (PMS) through setting off balanced score card based KRA's which encompasses development of career related review and discussion between the employee and supervisor(s). The Company provides for multiple reviews on performance of employees for corrective action during the course of the year as part of PMS which includes identification of learning and development needs of employees on the job and off the job. The Company has various leadership development programmes starting from identifying leadership talent among fresh graduates from the college to senior employees who take up management positions. The Company provides regular enrich programmes for knowledge upskilling and updation. These programmes are conducted online with global reach to its employees. The Company also conducts technical training programmes to the facilities, where the Company is engaged in operation and maintenance of plants so that the facilities employees are benefitted in upskilling themselves. The Company also emphasizes on behavioral programmes and also trains the key staff on their top 5 strengths identified through specific HR tools. The Company also has the comprehensive mentorship program for its employees. The Company has started WABAG Academy for training on project management, construction management, engineering management and marketing management.

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
Employees						
Male	962	796	83%	971	858	88%
Female	92	76	83%	84	75	89%
Total	1054	872	83%	1055	933	88%
Workers						
Male	We do not have any factories or production facilities; hence we do not have any workers on our rolls.					
Female						
Total						

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, WABAG has ISO 14001:2015 & ISO 45001: 2018 certification.

WABAG is committed to safeguarding the health and safety of its stakeholders by providing an incident free 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. WABAG has an effective implementation of Health & safety system and certified for ISO 45001:2018.

WABAG's mission is to improve the environmental operations that foster a sustainable future by adopting measures for the minimization of damage to the environment and effective utilization and reuse of resources through waste management, energy management, water management and awareness across communities. WABAG has an effective Environmental Management System, and is certified to ISO 14001:2015.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

WABAG has a systematic process and procedure to identify hazard & risk and assess the risk (identification of HIRA for routine and non-routine activities, assessing the risk with Significant risk study guidelines and with the mitigation control measures) and implementing of hierarchy of control measures like elimination, substitution, engineering control, isolation process and administrative controls like work instructions, Standard operating procedures, Dos and don'ts, and monitoring the risk and their control measures.

The process and procedures used for identification of HIRA is below:

- Hazard risk identification and risk assessment
- Objectives and targets (OHS & ES) planning
- Design, Construction, Engineering Operation control planning
- Communication, consultation, & participation
- Incident investigation, reporting, CA and horizontal deployment
- Risk assessment as per ISO 31000
- Contractor safety management
- Change management system
- Performance monitoring and review
- Training and awareness

WABAG also conducts HAZOP study for every projects during its design and engineering phase as a measure of enhanced process safety that mitigates identified hazards.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

We do not have any factories or production facilities; hence we do not have any workers on our rolls. However, the Company has an established Hazard Identification and Risk Assessment (HIRA) process for both routine and non-routine jobs for our employees as well as sub-contracted workers and routinely provides HIRA and Job Safety Assessment (JSA) trainings to employees including EPC and Operational and maintenance of the plant. We have tool box talks conducted in facilities where HIRA are discussed with the control measures and we have a systematic procedures and motivation and encourage the employees to give inputs on work related hazards and the Company addresses the same.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? *(Yes/ No)*

Employees: Yes. The Company extends comprehensive medical insurance policy to all its employees which takes care of the hospitalization/treatment needs as a non-occupational health care facility. The Company also provides access to health care service to employees through tie-ups with reputed hospitals and laboratories. It is mandatory for all employees up to 40 years of age to undergo premedical checkup once in every 2 years and employees above 40 years of age shall undergo premedical checkup every year. The Company also provides super specialty medical consultations in reputed hospitals for the employees every year apart from the medical check up to support those who are in need of same.

Workers: We do not have any factories or production facilities, hence we do not have any workers on our rolls.

11. Details of safety related incidents, in the following format:

All employees of WABAG are fully committed to HSE Culture. WABAG employees starts the work by ensuring work permit system, the Proper PPE's and Tool box talk briefing the nature of work to be done in safe way. All our employees are dedicated to improve and enhance safety culture and also we have dedicated safety officer to build the safety culture in the work place.

Safety Incident / Number	Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	-	-
Total recordable work-related injuries	Employees	0	0
	Workers	-	-
No. of fatalities	Employees	0	0
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place :

Hazard identification, Risk Assessment and Management is done in accordance with Hazard Identification and Risk Assessment (HIRA) Procedure and Job Safety Analysis (JSA) Procedure.

Hierarchy of controls is followed for application of risk control measures, Control Plans commensurate to risk are deployed before execution of job. No job is executed until risks are minimized to acceptable level.

Safety Committees are in place at various levels to review the adequacy of resources for safety and to provide support for safety management system deployment.

Deployment of Safe and Healthy system of work is assured through periodic safety audits and inspections across facilities. The Company has prompts the culture of safety as a part of the KRA for all leaders of all functions during the year to enhance safety at work place.

13. Number of Complaints on the following made by employees and workers:

The Company encourages its employees to register their complaints in the work place by talking to their supervisors/concerned department. For working condition related complaints of employees, the Company has grievance redressal system where the employees login their complaints and within reasonable time HR/Admin address the complaints for the employees. The safety officers deployed at facilities act as grievance redressal officers for health and safety and stay connected with employees on all days during the year at the construction facilities. The Company has a plan of continuous improvement in the tracking mechanism and metrics for the construction facilities.

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	3	0		0	0	
Health & Safety	2	0		0	0	

14. Assessments for the year:

Assessments for the year	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%. WABAG has robust Internal audit process in line with ISO 45001:2018 requirement and it covers all EPC and O & M plants. We are conducting frequent audit to facilities and plants. We have self-assessment on monthly basis and gap is closed by CAPA process and multidisciplinary approach for conducting HSE audit. We also conduct third party audits on health and safety at facilities and take necessary action.
Working conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

All safety related incidents are being investigated and learnings from investigation reports are shared across organization for deployment of corrective action to prevent recurrence of such incidents. Effectiveness of Corrective actions deployment being verified during HSE Audits process. Some of the implementation activities during the safety related incidents.

- Developed standardized template of HSE Lessons Learnt (EHS Alert) and these alerts are shared to all employees and displayed in the notice board and also prominent places.
- Developed HSE Training Modules on high-risk activities for all employees.

The Company does regular audit on the safety practices at every construction and O&M facilities and provide corrective actions. This is apart from audit on quarterly and half-yearly basis done by financial institution like World Bank, ADB, JICA, KfW and EXIM Bank, etc.

The Company has system of providing work permit in case of working in a confined space, high altitude or deep excavated structures.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

The Company extends life insurance coverage for all its employees.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

There is a process of checking by the relevant functional team for statutory compliance before payment is processed for the value chain partners so that compliance is enforced on a regular basis.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been / are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees / workers		No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Employees	We have no incidents covered in Q11 of essential indicators above. Also we have a robust system in place for capturing the near miss including unsafe observations like unsafe act, unsafe conditions, and we have effective implementation of Corrective action and risk identification and assessment process whereby major incidents are controlled. The ESHS process have effective implementation of tool box talks, work permit system, dos and don'ts, training and awareness programme which includes behavior based safety.			
Workers	We do not have any factories or production facilities; hence we do not have any workers on our rolls.			

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? *(Yes/ No)*

Specific/select contract based engagement is provided to specialist positions and leadership positions post retirement based on need of business. The Company provide consultant role for the senior employees after the retirement also. The Company does provide opportunity of working in other areas based on choice of employees by reskilling themselves. For those whose employment is terminated on performance grounds as a last resort, are supported by talent acquisition team based on need of the exiting employee (reskill and redeploy).

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100% of value chain partner are covered at the time of empanelment of the agency, vendor/contractors for the health and safety practices and working conditions provided by them before contracting with them. Internal audits are conducted at facilities post engagement, so that deviations are corrected.
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

As per the internal EHS audit procedure and assessment carried out, all the observations and non-conformances are properly recorded, communicated for the concerned persons for the corrective action and also horizontal deployment of the same. Lesson learnt portal is available to capture the same as part of knowledge management.

The Health, Safety & Environment Management system has been well established to capture the requirements and sharing the same documents to contractors and sub-contractors to follow.

In the contractual agreement with the contractors and sub-contractors all ESHS documents like manual, procedures, work instructions operational control procedures are shared and get concurrence of the same. All the suppliers and contractors of the Company are evaluated on their safety processes and strengths before awarding a contract. The continued monitoring and measuring of suppliers and contractors ensure a comprehensive safe environment. This is further enhanced with regular refresher or frequent induction training and capacity-building programs. In addition, periodic facilities visits and facilities audits improve the EHS performance. The significant risks are identified and evaluated and mitigated with the action plan and the hierarchy of controls methods are implemented and the effectiveness is monitored. Where the value chain partner fails to ensure safety, WABAG steps in and ensures safety.

PRINCIPLE 4 Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company annually evaluates key stakeholder segments like employees, investors, lending institutions, contractors/vendors, customers, social institutional interfaces, Regulatory Authorities, etc. Such evaluation is presented to senior management in the review meeting for specific attention or action plan.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Email, Town hall, Notice Board, Website	Regular	To share business information & decision and obtain feedback. Concerns raised during such interfaces are duly addressed.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders/ Investors	No	Press releases and press conferences; Email, Website, investor conferences, conference calls	Quarterly, Periodic (based on requests received)	Educating the investors community about business model and Understanding shareholder expectations.
Communities / NGO	No	Meetings, Trainings & Workshops, Website, Social Media	Regular	Support CSR Projects
Vendors / Contractors	No	Email, SMS, Website, Social Media, site meetings	Regular	To do business and raise concerns
Customers	No	Events, conferences, Email, SMS, Advertisement, Social Media Website.	Monthly	To resolve concerns if any and pave way for success
Governments & Regulatory Authorities	No	Email, Website	Annual	Discussions with regulatory bodies' w.r.t approvals and renewal of licenses.
Lending institutions	No	Meetings, Email, Website	Quarterly	Consortium meetings

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Board gets feedback from Management/ESG related working group and executive Committee on the Environment, Social and Governance areas through the presentations made to BRSR Committee of the Board.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. For example, the Company addressed livelihood restoration for the community identified as affected persons/households through stakeholder consultation, in projects where the Company has the responsibility as a project developer. The inputs received from consulting firm to connect with people have been incorporated into policies and activities of the entity.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

No such vulnerable / Marginalized group in our project works.

PRINCIPLE 5 Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of Employees/ Workers covered (B)	% (B/A)	Total (C)	No. of Employees/ Workers covered (D)	% (D/C)
Employees						
Permanent	847	847	100%	933	933	100%
Other than permanent	207	207	100%	122	122	100%
Total Employees	1054	1054	100%	1055	1055	100%
100% of the employees are provided the details of the policies including human rights at the time of joining during their induction programme. Further, the Company has published the policy on human rights which imbibes the sprite of human rights in its operation and value chain across the globe and the said policy is available in the website of the Company viz., https://www.wabag.com/compliances/. The Company believes all its employees have read and understood the said policy.						
Workers						
Permanent	We do not have any factories or production facilities; hence we do not have any workers on our rolls.					
Other than permanent						
Total Workers						

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-23 Current Financial Year					FY 2021-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F / D)
Employees										
Permanent	847	-	-	847	100%	933	-	-	933	100%
Male	774	-	-	774	100%	857	-	-	857	100%
Female	73	-	-	73	100%	76	-	-	76	100%
Other than Permanent	207	-	-	207	100%	122	-	-	122	100%
Male	188	-	-	188	100%	114	-	-	114	100%
Female	19	-	-	19	100%	8	-	-	8	100%
Workers										
Permanent	We do not have any factories or production facilities; hence we do not have any workers on our rolls.									
Male										
Female										
Other than Permanent										
Male										
Female										

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median Remuneration / salary / wages of respective category (Amount in INR)	Number	Median Remuneration / salary / wages of respective category (Amount in INR)
Board of Directors (BoD) [Whole Time Directors]	2	2,55,98,098	-	-
Board of Directors (BoD) [Non-Executive Directors (including Independent Directors)]	3	15,00,000	1	15,00,000
Key Managerial Personnel (KMP)	7	1,82,53,716	0	Not Applicable.
Employees other than BoD and KMP	955	8,48,580	92	6,74,064
Workers		We do not have any factories or production facilities, hence we do not have any workers on our rolls.		

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Human Resource Head is responsible for the same who will be supervised by the Whole time director of the Company.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues

The Human Rights Policy of the Company elaborates on the grievance redressal mechanism and the policy is available at https://www.wabag.com/compliances/

6. Number of Complaints on the following made by employees and workers:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	1	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour / Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has a Whistle Blower Policy wherein the employees shall file a complaint against any wrong practices, discrimination, unethical behavior or harassment without any apprehension as the confidentiality of the complainant details are being ensured. The Company's policy on prevention on sexual harassment (POSH) takes care of protection of complainants. Also, the Code of Conduct of the Company requires employees to behave responsibly in their action and conduct. Apart from that, the Company has Committees at every location for the protection of women at workplace to ensure their rights, receive grievances, and conduct investigation to take action.

8. **Do human rights requirements form part of your business agreements and contracts? (Yes/No)**

Yes

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	Yes, all work places are assessed by Company's in house HR and IR team/ internal auditor team. Assessment by external team is done on random sampling basis
Forced / involuntary labour	
Sexual Harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

There is no significant risk/concerns raised from the assessment.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/ complaints.

No complaint received in FY23 for human rights violation.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company adheres to the UNGC (United Nation Global Compact) principles which include Human Rights clauses. Fostering a culture of caring and trust are embedded in various corporate policies like Environment, Health & Safety (EHS) Policy, Whistle-Blower policy and the Code of Conduct Policy (CoC). The Company has laid down its CoC, which is applicable to Board members, senior management and employees. The objective is to be committed and vigilant towards the ethical conduct of business processes and instill a sense of ownership within the Company. All designated employees, including Board Members, adhere to the CoC and provide an annual declaration of their compliance. The Company is committed to treating every employee with dignity and respect. The Company has formulated a policy on 'Protection of Women's Rights at Workplace' as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules, 2013. The policy is applicable to all WABAG establishments located in India. Further, the Company conducts regular audit and inspection by EHS on EHS and human rights issues. The scope of audit covers all project facilities and offices including the value chain partners (supply chain partners) that are active in the Company's EPC and O&M projects.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Our largest establishment is our Head Office and here we have duly provided easy access to differently abled visitors as per the Act. The work facilities where construction activities are conducted is the work place of our customer to the best possible extent we address easier access of differently abled visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	100%, Yes the value chain partners at our work places (construction facilities) are assessed by the Company's in house HR and IR team/ internal auditor team. Assessment by external team is done on random sampling basis
Discrimination at Workplace	
Child Labour	
Forced Labour / Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

There is no significant risk/concerns raised from the assessment.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Total Electricity consumption (A) **MJ** at own work place	823,428	729,360
Total Fuel consumption (B) **MJ** at own work place	3,81,546	6,15,492
Energy consumption through other sources (C) **MJ** at own work place	2,995,668	3,037,752
Total energy consumption (A+B+C) MJ	42,00,642	43,82,604
Energy intensity per rupee of turnover *(Total energy consumption / turnover in rupees)*	0.00018	0.00020
Energy intensity *(optional)* – the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Energy efficiency assessment is carried out periodically by internal electrical engineers and improvements identified are implemented.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

The Company does not have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

The Company is engaged in production of treated water through water and waste water treatment plants at the premise of its customers. The Company draws sea water, domestic sewage, and industrial waste water in the treatment plants and produces treated water. The Company during the year has produced 27 million m³ per day of treated water through the treatment plants (STP) operated and maintained by it, as a result of which we are producing 9855 million m³ of water annually during FY23. The Company has been ranked no 3 globally by Global Water Intelligence (GWI) based in London for volume of water treated through O&M of treatment plants managed by it. WABAG is ranked amongst the global top 10 desalination player by Global Water Intelligence (GWI). WABAG's main focus is on "Manufactured Water" viz. desalination, reuse and recycle.

Parameter	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	1,525	1,384
(iii) Third party water	217	215
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	1,742	1,599
Total Volume of Water recycled	4,402	4,353
Total volume of water consumption (in kilolitres) (Volume of water withdrawal - Volume of water recharged to ground)	342.65	310
Water intensity per rupee of turnover *(Water consumed / turnover)*	0.000015	0.000014
Water intensity (optional) – the relevant metric may be selected by the entity	In our HO, we recycle 100% of the waste water through treatment plant and this is one of the major sources of water consumed and thus we remain Water Positive.	

Being technology company engaged in water treatment, our role is to Manufacture water from the sea water, Recycle the water, treat the sewage water and by this we proudly say that we are a **water positive Company**. The quantum of water produced during FY23 is as under.

Desalinated water: 1.2 million m3 per day,

Recycled Water: 2.5 million m3 per day

Water Positivity (Manufactured) per Rupee on Turnover including Water produced above is: 58.08

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

WABAG has forayed into Zero Liquid Discharge (ZLD) by implementing its first ever plant for NMDC, Nagarnar. 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. Also we are currently executing ZLD plants for AMUR Gas Chemical Complex (AGCC) in Russia.

WABAG has also implemented zero liquid discharge facility in its Corporate office in Chennai, the treated wastewater is being reused for several non-potable purposes, which has resulted in achieving platinum rated green building certification by IGBC.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	μg/m³	16.8	16.68
SOx	μg/m³	9.1	9.2
Particulate matter (PM)	μg/m³	28.6(10), 13.0(2.5)	28.3(10), 13.7(2.5)
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)			
Others – please specify	-	-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

The Company is in the business of producing green power generation from bio gas plants installed in the sewage treatment plants constructed / operated and maintained by it. The Company produced 14154.39Mwh of green power during the year FY2022 and 5571.20Mwh of green power during the year FY2023.

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO2 equivalent*	27.28	44.02
Total Scope 2 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	*Metric tonnes of CO2 equivalent*	209.29	228.23
Total Scope 1 and Scope 2 emissions per rupee of turnover in crore	-	0.0000000102	0.0000000125
Total Scope 1 and Scope 2 emission intensity (*optional*)			

*Scope 1 & 2 was calculated for the WABAG offices.

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

The Company as part of its business activities establishes facilities for producing green power from bio-gas plants installed in the sewage treatment plants constructed / operated and maintained by it. The Company produced 14154.39Mwh of green power during the year 2022 and 5571.20Mwh of green power during the year 2023. The Company operates and maintains the biogas power plants for its customers. It not only ensures the plant is self-sustaining but also helps to earn carbon credits.

In the corporate office, the Company uses the renewable energy in order to avoid indirect GHG emission. The Company conducts energy audit and provides feedback on the plants belonging to its customer for reduction of energy consumption or production of green energy.

WABAG is committed to climate action and to create a positive impact for the community and environment in which it operates. We have sharp focus on climate-related issues like emission reduction and energy efficiency.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste ***(A)***	0.076	0.289
E-waste ***(B)***	0	0
Bio-medical waste ***(C)***	0	0
Construction and demolition waste ***(D)***	0	0.101
Battery waste ***(E)***	0	0
Radioactive waste ***(F)***	0	0
Other Hazardous waste. Please specify, if any ***(G)***	0	0
Other Non-hazardous waste generated ***(H)***. Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	5.160	2.085
Total (A+B+C+D+E+F+G+H)	**5.236**	**2.476**
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	5.236	2.476
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	5.236	2.476
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	We do not have any practice of Landfilling and Incineration.	
(ii) Landfilling		
(iii) Other disposal operations		
Total		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

E SREE FOUNDATION

स्वच्छ भारत
एक कदम स्वच्छता की ओर

ITC 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 5236 Kgs of dry recyclable waste for recycling during FY 2022 - 2023

We look forward to your continued support in making India
SWACHH & GREEN
RECYCLE MORE & PROTECT ENVIRONMENT

Sib Sankar Bandyopadhyay
Executive Vice President - HR & CSR
ITC Limited
Paperboards & Specialty Papers Division

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

WABAG is certified under ISO 14001:2015 and the scope covers its entire operations including headquarters, regional offices, EPC facilities and Operational and maintenance plants. Waste management procedure is well established, implemented in all EPC and O & M facilities and the waste are identified, segregated, collected, stored and disposed to authorized agencies approved by PCB. 5R principles (Reduce, Reuse, Recycle, Refuse and Rethink) for waste management is implemented in facilities.

At our Corporate office, we are a platinum certified Green Building and we do not use hazardous and toxic chemicals in the building.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sl. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
	Nil	Nil	Nil

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Our Customers own the facilities and they conduct EIA study before award of the contract. Where the Company builds plants under BOOT or Hybrid Annuity Models (HAM), the Company also ensures it conducts ESIA study through specialist agencies before start of its projects. During the year, the Company conducted ESIA study for one project under HAM model.

Names and brief details of project	EIA. Notification No.	Date	Whether conducted by independent external agency (Yes/ No)	Results communicated in public domain (Yes/ No)	Relevant web link
Ghaziabad Nagar Nigam TTP Project under HAM Model	EIA Notification 2006	September 14, 2006	AECOM	No	N.A.

12. Is the entity compliant with the applicable environmental law / regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

The Company does construction and O&M of water and wastewater treatment plants for Industries and Municipal organizations and supports to obtain such compliances as are applicable for the assets owned by the Customers.

Sl. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
		N.A.		

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
From renewable sources		
Total Electricity consumption (A) MJ	29,95,668	30,37,752
Total fuel consumption (B)MJ		
Energy consumption through other sources (C)MJ		
Total energy consumed from renewable sources (A+B+C) MJ	29,95,668	30,37,752
From non-renewable sources		
Total Electricity consumption (D) MJ	8,23,428	7,29,360
Total fuel consumption (E)MJ	3,81,546	6,15,492
Energy consumption through other sources (F)MJ		
Total energy consumed from non-renewable sources (D+E+F)MJ	12,04,974	13,44,852

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

2. Provide the following details related to water discharged:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
The Company is in the business of construction, Operation and Maintenance of water and wastewater treatment plant at the facilities of our customers. Hence, we support discharge of wastewater by Industries and Municipal organizations safely to water bodies after appropriate treatment of such domestic sewage or industrial effluent. During the year, the Company participated in the Namami Gange Program of the Prime Minister (Clean Ganga initiative by Govt. of India) in big way. 16 no of sewage treatment plants were under construction by the Company during the year in different cities/States and no of sewage treatment plants were under O&M of the Company. The Company also takes care of two cities namely Ghaziabad and Agra in India under One City One Operator contract where 2 no of installations are operated and maintained by the Company apart from professional maintenance of sewerage network in these two cities. The Company also operates and maintains 2 no of Desalination plants where discharge of brine after recovery of fresh water from sea water is carried out in accordance with standards and methods prescribed by Pollution Control Boards. The Company did not discharge any wastewater in its Corporate Office and it recycled 100% of wastewater generated in this nine storied building.		
(i) To Surface water	NA	NA
No treatment		
With treatment – please specify level of treatment		
(ii) To Groundwater		
No treatment		
With treatment – please specify level of treatment		
(iii) To Seawater	NA	NA
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third-parties	NA	NA
No treatment		
With treatment – please specify level of treatment		
(v) Others		
No treatment		
With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	NA	NA

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area : Chennai

(ii) Nature of operations : Corporate Office

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	0	0
(ii) Groundwater	1525	1384
(iii) Third party water	217	215
(iv) Seawater / desalinated water	0	0
(v) Others	0	0

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)	1,742	1,599
Total Volume of Water recycled	4,402	4,353
Total volume of water consumption (in kilolitres) (Volume of water withdrawal - Volume of water recharged to ground)	342.65	310
Water intensity per rupee of turnover *(Water consumed / turnover)*	0.000015	0.000014
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	NA	NA
No treatment		
With treatment – please specify level of treatment		
(ii) Into Groundwater		
No treatment		
With treatment – please specify level of treatment		
(iii) Into Seawater	NA	NA
No treatment		
With treatment – please specify level of treatment		
(iv) Sent to third-parties	NA	NA
No treatment		
With treatment – please specify level of treatment		
(v) Others		
No treatment		
With treatment – please specify level of treatment		
Total water discharged (in kilolitres)	NA	NA

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1,34,553.00	1,23,081.78
Total Scope 3 emissions per rupee of turnover in crore	-	57.86	56.70
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity	-	-	-

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

NIL

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	The Company is in the business of Design, Build and Operation and Maintenance of Water and waste water treatment plants including Desalination and Reuse technologies for treatment of water. In our operations, we take several steps and initiatives to use technologies or solutions appropriate for recovery of different resources handled. It can be fresh water which is recovered or recovery of precious metals from waste water of tannery kind of industries or recovery of oil from waste water treated for Export. The Company has taken several initiatives in the last 26 years of its presence in India towards bringing innovative technologies in to this country for both Industries and Municipal bodies.	www.wabag.com	WABAG's contribution to Water & Environment over last 25 years are: 1) 1.2 million m3 Desalinated Water per day 2) 2.5 million m3 Recycled Water per day 3) >40MW Green Energy per day 4) 27 million m3 Wastewater treated per day 5) 26.5 million m3 Clean Water per day 6) Reducing >630 Tonnes GHG Emission per day

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

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

Our world-class IT systems enabled borderless remote digital workplace during lock-down which ensured business as usual. Workplace hygiene, continuous awareness [standard operating procedure (SOP)], vaccination drives are facilitated for our direct and indirect employees to ensure workplace safety. At WABAG's construction as well as O&M sites, employees were provided with well sanitized accommodations, safety measures and all essentials within the project premises to restrict the movement and to avoid the risk of infection.

With the digital enablement, business objectives of many weeks of trips were achieved in a few hours of digital interactions among the employees and the customers.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No Significant adverse impacts have been reported from our value chain partners.

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts

WABAG has established code of conduct which covers the compliance related with Environmental management system and Occupational health and safety management system. All Value Chain partners are evaluated for HSEQ parameters before their onboarding and it has 70%.

PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1 **a. Number of affiliations with trade and industry chambers/ associations.**

10

b. List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

S. No	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1	Confederation of Indian Industry (CII)	National
2	Federation of Indian Chambers of Commerce & Industry (Associate Membership)	National
3	Export Credit guarantee corporation of India	National
4	International Water Association (IWA)	Global
5	International Desalination Association (IDA)	Global
6	British Council	Global
7	Indo-German Chamber of Commerce & Industry	Global
8	Singapore Water Association	Global
9	Madras Chamber of Commerce & Industry	State
10	Madras Management Association	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

During the year, there were no such cases.

Name of the Authority	Brief of the case	Corrective action taken
-	-	-

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes / No)	Frequency of Review by Board (Annually / Half yearly / Quarterly / Others – please specify)	Web Link, if available
01	"Reuse of treated wastewater" for promoting economic viability and environment sustainability	Being part of various forums organized by Central and State Govt. as a thought leader	The Company's website provides various information on Reuse & Recycle.	Every quarter as part of its review of various operations	www.wabag.com
02	"Desalination" as an viable and sustainable alternative across the coastal regions	Being an active member of various groups in employer's association like CII, FICCI, etc.	WABAG's website provides good level of information on Desalination	Every quarter as part of its review of various operations	www.wabag.com
03	"Renewable energy/Green energy from Bio-gas" to make STP's self-sufficient and environment protection	Through publishing various articles and industry journals	WABAG's website provides good level of information on renewable power from sludge	Every quarter as part of its review of various operations	www.wabag.com
04	Total Resource Recovery	Sponsoring various initiatives by Govt. bodies and Private entities	WABAG's website provides good level of information on resource recovery from waste water treatment	-	www.wabag.com

PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

SIA is normally done by our customer in all EPC projects. WABAG does SIA where it is developer of the project under HAM or BOOT models.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Ghaziabad Nagar Nigam TTP Project under HAM Model	-	-	AECOM	Results were duly submitted to Ghaziabad Nagar Nigam	NA

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
01	KMDA HAM Project, Kolkata	West Bengal	Howrah and Kolkata	103	97.09 %	75,69,236

3. Describe the mechanisms to receive and redress grievances of the community.

The Grievances of the Community are received directly or through NGOs and the same is being redressed by the Company as and when they arise. Further we actively engaged with the Communities in the Project construction and maintenance wherever possible.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-23 Current Financial Year	FY 2021-22 Previous Financial Year
Directly sourced from MSMEs / small producers	Approximately 3% of annual project purchase	Approximately 3.5% of an-nual project purchase
Sourced directly from within the district and neighboring districts	*	*

**WABAG is a pure play Water Company operating in different locations in different states. The procurement strategy does not differentiate sourcing from specific locations. WABAG also supports “make in India” policy by maximum use of locally manufactured products both in domestic and International projects.*

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken

ESIA is normally carried out by our Customer prior to award of contract to WABAG. Our customers largely being Urban Local bodies under different States, the social impact that they identify is addressed by themselves. Where WABAG acts as developer of the project, the SIA is done and identified points are duly addressed by WABAG or the Customers depending on the scope of the contractor. In such projects developed, we did not notice any negative social impacts identified during the year that were required to be addressed by WABAG.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount Spent (in INR)
Not Applicable (Please refer CSR Annual Report – forming part of the Annual Report)			

3a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)

Yes

This policy is aimed at setting procurement guidelines and to outline a process to support and document procurement decisions. All suppliers / customers / vendors shall be treated in a fair & equitable manner within the framework of this policy. Predominant part of procurement action of our Company will be guided by specific clauses in our Contract and procurement is made from such vendors/contractors who are part of approved list of our customers.

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

b) From which marginalized / vulnerable groups do you procure?

Not Applicable

c) What percentage of total procurement (by value) does it constitute?

Not Applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

WABAG is a technology company rated No.3 globally by Global Water Intelligence (GWI), London, based on its complete range of technology offering. WABAG has more than 125 IP rights. Currently these IPs for advanced technologies and are largely deployed in our European markets. WABAG has introduced many first of its kind technologies in India. WABAG is promoting technologies based on these IPs in Indian market also.

S. No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes / No)	Benefit shared (Yes / No)	Basis of calculating benefit share
N.A.				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
N.A.		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Public Convenience Project, Chennai	Around 200	N.A
2	Livelihood Support, Kolkata	103*	100%
3	Apprenticeship Programme	98	N.A

*103 Project Affected Families

PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Grievance redressal policy sets out the Company's policy towards redressing grievances raised by our customers availing services from the Company from time to time. The said policy is available in the website of the Company i.e. https://www.wabag.com/compliances/ . Timely responses of such complaints is monitored by Senior Management.

2. Turnover of products and / services as a percentage of turnover from all products / service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable as the Company does not have specific consumer product or product range.
Safe and responsible usage	
Recycling and / or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2022-23 (Current Financial Year)		Remarks	FY 2021-22 (Current Financial Year		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues: Not applicable

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has a framework/ policy on cyber security and risks related to data privacy, available at https://www.wabag.com/compliances/

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

Not Applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The Company's business offerings can be found on the website: https://www.wabag.com

2. Steps taken to inform and educate consumers about safe and responsible usage of products and / or services.

We do not have any consumer product so this is not applicable

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

As an Essential Service, WABAG is operating and maintaining several water and waste treatment plants in India. During such maintenance, we try to largely do without disruption or discontinuance by proper planning. Such actions are prior-informed by our Municipal Customer in newspaper or information is circulated in advance by our Industrial customers.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

N.A.

5. Provide the following information relating to data breaches:

a. Number of instances of data breaches along-with impact

There were no data breaches during the year.

b. **Percentage of data breaches involving personally identifiable information of customers**

Not Applicable

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 2023, as 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 2023, 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance 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 the 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 is dependent on estimates in relation to the total costs on each contract. Cost contingencies may also be included in these estimates to take into account specific uncertainties 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 used by the management of the Company in estimating the amount of revenue and margin to be recognised by the Company 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 the estimated total costs for the contracts including cost contingencies

S. No	Key audit matter description and principal audit procedures
	- the project reviews that are undertaken by the Company's management - the controls in relation to the 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 • Undertake 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 3.4, 3.10 (e), 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 as per the contractual terms 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.
	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 • Seek 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 and 'Due from Customers'. • Consider the subsequent events in assessing the recoverability of Dues from customers and Trade receivables as on reporting date. • 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 the 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 the 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 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 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 the standalone 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 foreseeable losses on the long-term contracts of the Company are not material;

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.

v. The Company has not declared or paid any dividend during the financial year.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from 1 April 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended 31 March 2023.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 23215565BGYMBQ5618

Place: Chennai
Date: 19 May 2023

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 2023 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 Rupees Five crore, in aggregate, during the year, from banks on the basis of security of current assets and the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company;

(iii) Based on our audit procedures and according to the information and explanation given to us,

(a) the Company has not provided advances in the nature of loans, or stood guarantee, or provided security to any other entity. The Company has granted unsecured loans to subsidiary companies during the year,

(A) the aggregate amount of such loans given during the year is ₹ 3,370 Lakhs, and the balance outstanding is nil as at the balance sheet date;

(B) the Company has not provided loans to parties other than subsidiaries, joint ventures and associates

(b) in our opinion, the investments made during the year are, prima facie, not prejudicial to the Company's interest;

(c) in respect of loans provided during the year, the schedule of repayment of principal and payment of interest has been stipulated in the loan agreement and the repayments are regular;

(d) the loans provided by the Company were converted into investments during the year and hence reporting under paragraph 3 (iii) (d) and (e) of the Order is not applicable to the Company

(e) the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment, and hence reporting under paragraph 3(iii) (f) of the Order is not applicable to the Company;

(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 paragraph 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 public during the year and does not have any unclaimed deposits as at 31 March 2023. Accordingly, reporting under paragraph 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. 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 2023 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 2023 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 (Rs. in Lakhs)	Unpaid disputed amount (Rs. 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	24	24	2007-08 to 2010-11	Deputy Commissioner- Appeals
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 – Appeals
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

Annexure A to the Independent Auditor's Report (Contd.)

Name of the statute	Nature of disputed dues	Amount involved in dispute (Rs. in Lakhs)	Unpaid disputed amount (Rs. in Lakhs)	Period to which amount relates	Forum where disputes are pending
Gujarat Value Added Tax Act, 2003	Tax, Interest & Penalty	806	798	2010-11, 2016-17 & 2017-18	VAT Tribunal Deputy Commissioner (Appeals)
Delhi Value Added Tax Act, 2004	Tax & Penalty	46	46	2012-13	Additional Commissioner
Telangana Value Added Tax Act, 2005 & Central Sales Tax Act	Tax, Interest & Penalty	260	202	2010-11, 2015-16 to 2017-18	High Court Appeal Pending
Maharashtra Value Added Tax Act, 2005	Tax, Interest & Penalty	584	552	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	1,143	1,140	2011-12, 2016-17, 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
Gujarat GST Act	Tax, Interest & Penalty	217	207	FY 2019-20	Sales Tax Officer – Jamnagar
Commissioner of Customs	Tax	81	-	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	520	520	AY 2017-18, AY 2018-19 and AY 2021-22	Commissioner of Income Tax Appeals

There are no dues in respect of duty of excise as at 31 March 2023 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, reporting under 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 bank during the year. The Company did not have any loans or borrowing from financial institutions or 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 standalone 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 standalone 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 standalone financial statements of the Company, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries 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 paragraph 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 paragraph 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) There are no whistle-blower complaints received by the Company during the year (and upto the date of this report) and hence reporting under paragraph 3(xi)(c) of the Order is not applicable.

(xii) The Company is not a Nidhi Company. Accordingly, reporting on paragraph 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 standalone financial statements as required by the applicable Indian 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 of the Company issued till date for the year under audit.

(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

Annexure A to the Independent Auditor's Report (Contd.)

Bank of India Act, 1934. Hence, reporting under paragraph 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 paragraph 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 in 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 standalone 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) The Company has fully spent the required amount towards Corporate Social Responsibility ('CSR') and there are no unspent CSR amount for the year requiring a transfer to a fund specified in Schedule VII to the Act or special account in compliance with the provision of sub-section (6) of section 135 of the Act. Accordingly, reporting under paragraph 3(xx) of the Order is not applicable for the year.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 23215565BGYMBQ5618

Place: Chennai
Date: 19 May 2023

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 2023 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 2023, 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: 23215565BGYMBQ5618

Place: Chennai
Date: 19 May 2023

Balance Sheet as at March 31, 2023

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	4	5,797	6,185
Intangible assets	4	156	136
Financial assets			
- Investments	5	9,508	5,590
- Trade receivables	6	53,479	62,665
- Other financial assets	7	4,972	4,673
Deferred tax assets (net)	8	3,418	2,751
Income tax assets (net)	9	7,300	7,593
		84,630	**89,593**
Current assets			
Inventories	10	1,602	850
Financial assets			
- Trade receivables	6	1,39,155	1,18,996
- Cash and cash equivalents	11	8,614	14,482
- Bank balances other than those mentioned in cash and cash equivalents	11	8,006	7,024
- Loans	12	-	202
- Other financial assets	7	4,429	4,984
Other current assets	13	60,781	72,714
		2,22,587	**2,19,252**
Total assets		**3,07,217**	**3,08,845**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	1,244	1,244
Other equity	15		
- Securities premium reserve		39,391	39,391
- Reserves and surplus		85,520	85,402
Total equity		**1,26,155**	**1,26,037**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	20	4,479	7,372
- 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	14,004	16,470
- Other financial liabilities	17	112	111
Provisions	18	387	398
Other non-current liabilities	19	700	3,660
		19,682	**28,011**
Current liabilities			
Financial liabilities			
- Borrowings	20	15,824	32,511
- Trade payables			
Total outstanding dues of micro enterprises and small enterprises	16	863	1,294
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	86,090	76,343
- Other financial liabilities	17	2,747	2,673
Other current liabilities	19	53,320	37,978
Provisions	18	2,536	2,070
Current tax liabilities (net)	21	-	1,928
		1,61,380	**1,54,797**
Total liabilities		**1,81,062**	**1,82,808**
Total equity and liabilities		**3,07,217**	**3,08,845**

Notes 1 to 46 form an integral part of the standalone financial statements.

In terms of our report of even date attached

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

V Viswanathan
Partner
(Membership No.: 215565)

Place : Chennai
Date : May 19, 2023

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

Milin Mehta
Director
(DIN: 01297508)

Rajiv Mittal
Chairman & Managing Director
(DIN: 01299110)

Skandaprasad Seetharaman
Chief Financial Officer

Anup Kumar Samal
Company Secretary
(Membership No: F4832)

Place : Chennai
Date : May 19, 2023

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

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	23	2,32,530	2,14,261
Other income	24	6,057	2,826
Total income		**2,38,587**	**2,17,087**
Expenses			
Cost of sales and services	25	1,79,315	1,69,943
Changes in inventories	26	(752)	-
Employee benefits expense	27	16,782	15,601
Finance costs	28	6,007	7,489
Depreciation and amortisation expense	29	415	532
Other expenses	30a	7,692	11,312
Total expenses		**2,09,459**	**2,04,877**
Profit before exceptional items and tax		**29,128**	**12,210**
Exceptional items	30b	(28,923)	-
Profit before tax		**205**	**12,210**
Tax expense	31		
Current tax		745	3,617
Deferred tax		(667)	(625)
Profit for the year (A)		**127**	**9,218**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Re-measurement gain on defined benefit plans		(12)	35
- Income tax relating to items that will not be reclassified to profit and loss		3	(9)
Other comprehensive income for the year, net of tax (B)		**(9)**	**26**
Total comprehensive income for the year (A+B)		**118**	**9,244**
Earnings per equity share			
Basic & Diluted (in INR)	32	0.20	14.82
Earnings per equity share before exceptional items			
Basic & Diluted (in INR)	32	35.01	14.82

Notes 1 to 46 form an integral part of the standalone financial statements.

In terms of our report of 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)

Place : Chennai
Date : May 19, 2023

Milin Mehta
Director
(DIN: 01297508)

Skandaprasad Seetharaman
Chief Financial Officer

Place : Chennai
Date : May 19, 2023

Rajiv Mittal
Chairman & Managing Director
(DIN: 01299110)

Anup Kumar Samal
Company Secretary
(Membership No: F4832)

Statement of Cash Flows for the year ended March 31, 2023

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
A.	**Cash flow from operating activities**		
	Profit before tax and exceptional items	**29,128**	**12,210**
	Exceptional items (Also refer note 46)	(28,923)	-
	Profit before tax	**205**	**12,210**
	Adjustments to reconcile net income to net cash provided by operating activities		
	Depreciation and amortisation expense	415	532
	Unrealised foreign exchange (gain)	(3,091)	(1,260)
	Bad and doubtful debts, net	3,359	6,026
	Unclaimed credit balances	(415)	(1,437)
	(Gain) on sale of property, plant and equipment, net	(23)	(9)
	Provision for impairment	531	1,582
	Interest expenses on lease liabilities	-	1
	Interest expenses	2,669	3,337
	Interest and dividend income	(815)	(1,029)
	Provision for foreseeable losses on contracts	(11)	(90)
	Provision for compensated absences and gratuity	343	435
	Provision for liquidated damages	63	756
	Provision for warranty	459	19
	Operating profit before working capital changes	**3,689**	**21,073**
	Changes in working capital		
	(Increase) in trade receivables	(10,104)	(12,155)
	Decrease/(Increase) in other financial assets	564	(256)
	Decrease in loans and other current assets	12,135	11,358
	(Increase) in inventories	(752)	-
	Increase in trade payables	6,601	502
	Increase/(Decrease) in other financial liabilities	108	(332)
	Increase/(Decrease) in other liabilities	12,373	(23,186)
	(Decrease)/Increase in provisions	(411)	214
	Cash generated from operating activities	**24,203**	**(2,782)**
	Direct taxes paid, net	(2,369)	(1,055)
	Net cash generated from/(used in) operating activities (a)	**21,834**	**(3,837)**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment and intangible assets	(69)	(191)
	Proceeds from sale of property, plant and equipment and intangible assets	47	185
	Purchase of investments	(4,449)	(3,816)
	Dividend received	51	802
	Interest received	736	407
	Net movement in bank deposits	(1,263)	(1,368)
	Net cash (used in) investing activities (b)	**(4,947)**	**(3,981)**

Statement of Cash Flows for the year ended March 31, 2023

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
C.	**Cash flow from financing activities**		
	Proceeds from long-term borrowings	614	3,351
	Proceeds/(Repayment) from short term borrowings, net	(12,250)	9,699
	(Repayment) of long term borrowings	(8,384)	(4,834)
	Interest paid	(2,702)	(3,382)
	Repayment of lease liabilities	-	(10)
	Net cash (used in)/generated from financing activities (c)	**(22,722)**	**4,824**
D.	**Net change in cash and cash equivalents (a+b+c)**	**(5,835)**	**(2,994)**
	Effects of foreign currency translation	(33)	189
E.	**Cash and cash equivalents at the beginning of the year**	**14,482**	**17,288**
F.	**Cash and cash equivalents at the end of the year**	**8,614**	**14,482**
	Cash and cash equivalents include		
	Cheques on hand	3,124	5,149
	Balances with banks		
	- in current accounts	5,490	3,581
	- in deposit accounts (with original maturity upto 3 months)	-	5,752
Cash and cash equivalents as per note 11		**8,614**	**14,482**

Notes 1 to 46 form an integral part of the standalone financial statements.

In terms of our report of even date attached

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

V Viswanathan
Partner
(Membership No.: 215565)

Place : Chennai
Date : May 19, 2023

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

Milin Mehta
Director
(DIN: 01297508)

Rajiv Mittal
Chairman & Managing Director
(DIN: 01299110)

Skandaprasad Seetharaman
Chief Financial Officer

Anup Kumar Samal
Company Secretary
(Membership No: F4832)

Place : Chennai
Date : May 19, 2023

Statement of Changes in Equity for the year ended March 31, 2023

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

A. Equity share capital (Issued, Subscribed and fully paid up)

Particulars	Note	Amount
Balance as at April 01, 2021	14	**1,244**
Balance as at April 01, 2022		**1,244**
Balance as at March 31, 2023		**1,244**

B. Other equity

Particulars	Note	Other equity					Total
		Reserves and surplus					
		Capital reserve	General reserve	Surplus in the statement of profit and loss	Accumulated other comprehensive income	Securities premium reserve	
Balance as at April 01, 2021	15	**250**	**3,343**	**73,000**	**(435)**	**39,391**	**1,15,550**
Dividends		-	-	-	-	-	**-**
Dividend distribution tax		-	-	-	-	-	**-**
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**	**1,24,793**
Transactions with owners		**-**	**-**	**-**	**-**	-	**-**
Dividends		-	-	-	-	-	-
Dividend distribution tax		-	-	-	-	-	-
Profit for the year		-	-	127	-	-	**127**
Other comprehensive income		-	-	-	(9)	-	**(9)**
Total comprehensive income		**-**	**-**	**127**	**(9)**	**-**	**118**
Balance as at March 31, 2023		**250**	**3,343**	**82,345**	**(418)**	**39,391**	**1,24,911**

Notes 1 to 46 form an integral part of the standalone financial statements.

In terms of our report of even date attached

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

V Viswanathan
Partner
(Membership No.: 215565)

Place : Chennai
Date : May 19, 2023

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

Milin Mehta
Director
(DIN: 01297508)

Rajiv Mittal
Chairman & Managing Director
(DIN: 01299110)

Skandaprasad Seetharaman
Chief Financial Officer

Anup Kumar Samal
Company Secretary
(Membership No: F4832)

Place : Chennai
Date : May 19, 2023

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, TamilNadu.

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, 2023 are approved and authorised for issue by the Board of Directors on May 19, 2023.

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 accounting pronouncements

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

Ind AS 1, Presentation of Financial Statements – This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors – This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12, Income Taxes – This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2023. The Company has evaluated the amendment and there is no impact on its standalone financial statements.

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 summarized 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, 2023.

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 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 using percentage of completion method 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.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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. Amounts 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.

3.6 Property, plant and equipment

Land

Land (other than investment property) held for use in operations 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 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 assets' (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 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 assets' 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 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 the 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.

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 as at 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.

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.

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

i. Short term Employee Benefits

Employee benefits such as salaries, wages, short-term compensated absences, bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the service.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

ii. Post-Employee Benefits

A. Defined contribution plan

The Company's superannuation scheme, state governed provident fund scheme and employee state insurance scheme are defined contribution plans. The contribution paid / payable under the schemes is recognised as an expense during the period in which the employee renders the service. The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions.

a. Provident fund and Employee state insurance scheme

The Company makes contributions to the statutory provident fund and employee state insurance scheme in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948. These contributions, paid or payable, are recognised as expenses in the period in which it falls due.

b. Superannuation Fund

Contribution made towards superannuation fund (funded by payments to insurance company) is charged as expenses on accrual basis. There are no obligations other than the contribution made to respective fund.

B. Defined benefit plans

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.

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.

(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.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(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 analysed 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. Considering the nature of business activities of the Company, the time between deploying of resources for projects / contracts 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 01, 2001, the Company is required to use certain specific methods in computing arm's length price of international transactions with 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, 2023 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 a 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 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**
Additions	-	-	-	-	-	1	2	2	22	27	43
Disposals	-	-	-	-	-	-	-	-	(119)	(119)	-
Balance as at March 31, 2023	**1,698**	**4,026**	**118**	**367**	**2,030**	**560**	**622**	**557**	**146**	**10,124**	**1,225**
Accumulated depreciation/ amortisation											
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**
Depreciation/amortisation expense for the year	-	68	-	25	196	54	8	20	21	392	23
Reversal on disposal of assets	-	-	-	-	-	-	-	-	(95)	(95)	-
Balance as at March 31, 2023	**-**	**535**	**118**	**210**	**1,801**	**498**	**616**	**532**	**19**	**4,327**	**1,069**
Net carrying value											
Balance as at March 31, 2022	**1,698**	**3,559**	**-**	**182**	**425**	**115**	**12**	**43**	**150**	**6,185**	**136**
Balance as at March 31, 2023	**1,698**	**3,491**	**-**	**157**	**229**	**62**	**5**	**25**	**127**	**5,797**	**156**

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, 2023	As at March 31, 2022
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)		
Less: Provision for impairment of investment in Wabag Limited (Thailand)	(19)	-
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)	3,719	107
(20,690,000 (Previous year : 700,000) equity shares of MYR 1 each)		
Less: Provision for impairment of investment in Wabag Muhibbah JV SDN BHD, (Malaysia)	(2,094)	-
Wabag Belhasa JV WLL,(Bahrain)###	4	4
(49 (Previous year : 49) equity shares of BHD 50 each)		
DK Sewage Project Private Limited	359	1
(3,589,999 (Previous Year: 9,999) equity shares of INR 10 each)		
Ghaziabad Water Solutions Private Limited	171	1
(1,709,999 (Previous Year: 9,999) equity shares of INR 10 each)		
Kopri Bio Engineering Private Limited	1	1
(5,100 (Previous Year: 5,100) equity shares of INR 10 each)		
	4,474	**2,447**
Investments in compulsory convertible preference shares of associate (fully paid-up)		
Ganga STP Project Private Limited	970	970
(96,99,000 (Previous year : 96,99,000) compulsory convertible preference shares of INR 10 each)		
	970	**970**
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**

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, 2023	As at March 31, 2022
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 **	-	-
(Nil (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	852	852
(8,515,000 (Previous year : 8,515,000) 9% Non convertible debentures of INR 10 each)		
DK Sewage Project Private Limited	1,073	-
(10,730,000 (Previous year : Nil) 8% Non convertible debentures of INR 10 each)		
Ghaziabad Water Solutions Private Limited	2,100	-
(21,000,000 (Previous year : Nil) 8% Non convertible debentures of INR 10 each)		
	4,025	**852**
Total non-current investments	**9,508**	**5,590**
Aggregate amount of unquoted investments	11,621	7,172
Aggregate amount of impairment in the value of investments	2,113	1,582

**Amount of investment in current year is INR Nil and is in the process of being stuck off under the Companies Act, 2013. Accordingly, investments of INR 26,000 impaired during the year. Since the amount of investment in 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.

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, 2023	As at March 31, 2022
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	100.0%	100.0%
Kopri Bio Engineering Private Limited	51.0%	51.0%
DK Sewage Project Private Limited	100.0%	100.0%
Extent of investment in associates		
VA Tech Wabag and Roots Contracting LLC, (Qatar) #	49.0%	49.0%
Ganga STP Project Private Limited	26.0%	26.0%
Extent of investment in joint venture		
International Water Treatment LLC (Oman)####	-	-

#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 other investor 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. The investments has been fully impaired during the current year, as the liquidation process of the entity has been initiated.

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.

####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.

6 Trade receivables (Unsecured considered good, unless stated otherwise)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Trade receivables	-	2,500
Customer retention	53,479	60,165
	53,479	**62,665**
Current		
Trade receivables	1,36,778	1,09,778
Customer retention	2,377	9,218
	1,39,155	**1,18,996**
Credit impaired		
- Trade receivables	6,747	5,396
- Customer retention	1,952	1,013
Less : Allowances for expected credit loss		
- Trade receivables	(6,747)	(5,396)
- Customer retention	(1,952)	(1,013)
	-	-
	1,39,155	**1,18,996**

Trade receivables include dues from related parties amounting to INR 18,908 Lakhs (March 31, 2022: INR 14,333 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 2,290 Lakhs (FY 2021-22: INR (1,680) Lakhs) has been created/(utilised) respectively within other expenses. The Company has provided for expected credit loss on 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, 2023	Year ended March 31, 2022
Balance at the beginning of the year	**6,409**	**8,089**
Additions during the year, net	2,290	3,623
Utilised during the year	-	(5,303)
Balance at the end of the year	**8,699**	**6,409**

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, 2023 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	40,998	-	-	-	-	-	**40,998**
ii) Undisputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	**-**
iii) Undisputed Trade Receivables- Credit Impaired	-	-	-	-	-	-	**-**
iv) Disputed Trade Receivables considered good	12,481	-	-	-	-	-	**12,481**
v) Disputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	**-**
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	**-**
Total	**53,479**	**-**	**-**	**-**	**-**	**-**	**53,479**

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**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Ageing for trade receivables - billed – current outstanding as at March 31, 2023 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	61,925	35,294	18,908	17,438	3,023	1,347	**1,37,935**
ii) Undisputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	**-**
iii) Undisputed Trade Receivables- Credit Impaired	-	-	715	1,025	530	3,671	**5,941**
iv) Disputed Trade Receivables considered good	-	-	-	952	232	36	**1,220**
v) Disputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	**-**
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	211	139	2,408	**2,758**
Total	**61,925**	**35,294**	**19,623**	**19,626**	**3,924**	**7,462**	**1,47,854**
Less: Allowance for expected credit loss							**(8,699)**
Trade Receivables - Current							**1,39,155**

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	31,927	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**
Total	**34,167**	**40,117**	**19,349**	**10,885**	**5,611**	**15,276**	**1,25,405**
Less: Allowance for expected credit loss							**(6,409)**
Trade Receivables - Current							**1,18,996**

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, 2023	As at March 31, 2022
Non-current		
Security deposits	3,700	3,708
Advances to employees	18	19
Non-current bank balances	1,254	946
	4,972	**4,673**
Current		
Security deposits	1,086	1,366
Tender deposits	174	985
Rental deposits	167	176
Dues from related parties (Also refer note 37(c))	2,952	2,401
Advances to employees	50	56
	4,429	**4,984**

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, 2023	As at March 31, 2022
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		131	133
- Allowances for expected credit loss		3,085	2,535
- Others		532	398
Total deferred tax asset	**A**	**3,748**	**3,066**
Deferred tax liability arising on account of :			
- Carrying value of property, plant and equipment/ Intangible assets as per tax laws and books.		(330)	(315)
Total deferred tax liability	**B**	**(330)**	**(315)**
Net deferred tax assets	**(A+B)**	**3,418**	**2,751**

(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, 2023:

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	-	(2)
- Allowances for expected credit loss	-	550
- Others	-	134
Deferred tax liability arising on account of :		
- Carrying value of property, plant and equipment /Intangible assets as per tax laws and books.	-	(15)
Total	**-**	**667**

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 :		
- Carrying value of property, plant and equipment /Intangible assets as per tax laws and books.	-	(7)
Total	**-**	**(626)**

In assessing the recoverability of deferred tax assets, the management of the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will be realised. The ultimate realisation of deferred 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 tax assets considered realisable, 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, 2023	As at March 31, 2022
Income tax assets net of provision for tax	7,300	7,593
	7,300	**7,593**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

10 Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
Contract inventories	599	8
Stores and spares	1,003	842
	1,602	**850**

11 Cash and bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Cheques on hand	3,124	5,149
Balances with banks		
- in current accounts#	5,490	3,581
- in deposit accounts (with original maturity upto 3 months)#	-	5,752
	8,614	**14,482**
Bank balances other than mentioned in cash and cash equivalents		
Unpaid dividend account	5	6
Deposits with maturity less than 3 months#	1,760	1,004
Deposits with maturity more than 3 months but less than 12 months#	6,241	6,014
	8,006	**7,024**

Deposits and balance with banks includes a sum of ₹ 11,722 Lakhs (March 31, 2022 ₹ 9,769 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, 2023	As at March 31, 2022
Current		
Loans to related parties (Also refer note 37(c))	-	202
	-	**202**

Loan given to Wabag Limited (Thailand) has been fully impaired as the subsidiary initiated the liquidation process.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

13 Other current assets (Unsecured, considered good)

Particulars	As at March 31, 2023	As at March 31, 2022
Dues from customers for construction contract works*	39,835	39,975
Advance to suppliers	13,918	15,533
Balances with government authorities	5,336	15,267
Duty drawback and other duty free credit entitlement receivable	97	173
Prepaid expenses	1,575	1,650
Others	20	116
	60,781	**72,714**

* Includes allowance for expected credit loss amounting to INR 1,319 Lakhs (March 31, 2022 :INR 1,823 Lakhs)

There are no advances due from directors or other officers of the Company.

14 Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Authorised				
Equity shares of INR 2 each	7,50,00,000	1,500	7,50,00,000	1,500
Issued, subscribed and fully paid up				
Equity shares of INR 2 each	6,21,90,428	1,244	6,21,90,428	1,244
	6,21,90,428	**1,244**	**6,21,90,428**	**1,244**

a) Reconciliation of share capital (Equity)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Balance at the beginning of the year	6,21,90,428	1,244	6,21,90,428	1,244
Issue of share capital	-	-	-	-
Balance at the end of the year	**6,21,90,428**	**1,244**	**6,21,90,428**	**1,244**

b) Shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	% holding	Number	% holding
Equity Shares of INR 2 each				
Mr. Rajiv Mittal	97,09,406	15.6%	97,09,406	15.6%
Ms. Rekha Rakesh Jhunjhunwala	50,00,000	8.0%	50,00,000	8.0%
	1,47,09,406	**23.6%**	**1,47,09,406**	**23.6%**

c) Shares held by promoters of the Company

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	% holding	Number	% holding
Mr. Rajiv Mittal	97,09,406	15.6%	97,09,406	15.6%
Mr. S Varadarajan	21,85,762	3.5%	21,85,762	3.5%
Mr. Shiv Narayan Saraf	-	-	16,00,354	2.6%
	1,18,95,168	**19.1%**	**1,34,95,522**	**21.7%**

* Reclassified from “Promotor and Promotor group” category to “public” category during the year.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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, 2023.

f) Buy back of shares

There were no buy back of shares and no shares issued pursuant to contract without payment being received in cash during the last 5 years immediately preceding March 31, 2023

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, 2023	As at March 31, 2022
Borrowings		20,303	39,883
Less: Cash and bank balances		(17,874)	(22,452)
Net debt	**(A)**	**2,429**	**17,431**
Total equity	**(B)**	**1,26,155**	**1,26,037**
Total equity and net debt	**(C=A+B)**	**1,28,584**	**1,43,468**
Gearing ratio	**(A/C)**	**1.9%**	**12.1%**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

15 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Securities premium reserve		
Balance at the beginning of the year	39,391	39,391
Add : Additions made during the year	-	-
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, 2023	As at March 31, 2022
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**

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, 2023	As at March 31, 2022
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, 2023	As at March 31, 2022
Surplus in the statement of profit and loss		
Balance at the beginning of the year	82,218	73,000
Add : Transfer from statement of profit and loss	127	9,218
Balance at the end of the year	**82,345**	**82,218**

Surplus in the statement of profit and loss comprises of prior years' undistributed earnings after taxes.

Particulars	As at March 31, 2023	As at March 31, 2022
Accumulated other comprehensive income		
Balance at the beginning of the year	(409)	(435)
Add : Transfer from other comprehensive income	(9)	26
Balance at the end of the year	**(418)**	**(409)**
Total other equity	**1,24,911**	**1,24,793**

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, 2023	As at March 31, 2022
Non-current		
Dues to micro and small enterprises (Also, refer note (a) below)	-	-
Dues to others	14,004	16,470
	14,004	**16,470**
Current		
Dues to micro and small enterprises (Also refer note (a) below)	863	1,294
Dues to others	86,090	76,343
	86,953	**77,637**

Ageing for trade payables - billed – Non current outstanding as at March 31, 2023 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	14,004	-	-	-	-	**14,004**
Disputed Dues - MSME	-	-	-	-	-	**-**
Disputed Dues - Others	-	-	-	-	-	**-**
Total	**14,004**	**-**	**-**	**-**	**-**	**14,004**

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 – current outstanding as at March 31, 2023 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	332	420	83	25	3	**863**
Others	42,183	30,190	3,463	5,059	4,869	**85,764**
Disputed Dues - MSME	-	-	-	-	-	**-**
Disputed Dues - Others	127	-	-	24	175	**326**
Total	**42,642**	**30,610**	**3,546**	**5,108**	**5,047**	**86,953**

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	**75,948**
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**

The carrying values of trade payables are considered to be a reasonable approximation of fair value.

a) Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:

Particulars		As at March 31, 2023	As at March 31, 2022
i)	Principal amount remaining unpaid	863	1,294
ii)	Interest due thereon	50	50
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	50
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.

b) Unclaimed credit balances amounting to INR 415 Lakhs (FY 2021-22: INR 1,437 Lakhs) during the year have been reversed from trade payables .

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

17 Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Employee related payables	112	111
	112	**111**
Current		
Dues to related parties	252	491
Unpaid dividends	5	6
Employee related payables	2,468	2,122
Interest payables and others	22	54
	2,747	**2,673**
Total financial liabilities	**2,859**	**2,784**
Financial liabilities carried at amortised cost	**2,859**	**2,784**
Financial liabilities carried at fair value through profit and loss	**-**	**-**

18 Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Provisions for employee benefits		
- Compensated absences	387	398
	387	**398**
Current		
Provision for warranty	2,090	1,630
Provision for liquidated damages	-	-
Provision for foreseeable losses on contracts	4	15
Provisions for employee benefits		
- Gratuity	95	56
- Compensated absences	347	369
	2,536	**2,070**

a) Provision for warranty

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	1,630	226
Provided/(Reversed) during the year, net	460	1,404
Balance at the end of the year	**2,090**	**1,630**

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 contracts. 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 estimated to be incurred based on the Company's warranty period for contracts completed.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

b) Provision for liquidated damages

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	-	-
Created during the year, net	63	756
Utilised during the year	(63)	(756)
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.

c) Provision for foreseeable losses on contracts

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	15	105
Created / (Reversed) during the year, net	(11)	(90)
Balance at the end of the year	**4**	**15**

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 with an insurance company.

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, 2023	Year ended March 31, 2022
Change in projected benefit obligation		
Defined benefit obligation at the beginning of the year	879	872
Current service cost	88	95
Past service cost	-	-
Interest cost	44	49
Actuarial gain/(loss)	(14)	(40)
Benefits paid	(121)	(97)
Defined benefit obligation at the end of the year	**876**	**879**

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, 2023	Year ended March 31, 2022
Thereof		
Unfunded	95	56
Funded	781	823
Change in plan assets		
Fair value of plan assets at the beginning of the year	823	843
Expected return on plan assets	49	53
Actuarial gain/(loss)	(26)	(5)
Employer contributions	56	29
Benefits paid	(121)	(97)
Fair value of plan assets at the end of the year	**781**	**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	876	879
Fair value of plan assets at the end of the year	(781)	(823)
Liability recognised in the balance sheet	**95**	**56**
Components of net gratuity costs are:		
Current service cost	88	95
Interest cost	44	49
Past service cost	-	-
Expected return on plan assets	(49)	(53)
Recognised net actuarial (gain)/loss	12	(35)
Net gratuity costs recognised during the year	**95**	**56**
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	652	588
Group debt fund	128	234
Group short term debt fund	1	1
Total	**781**	**823**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Principal actuarial assumptions used:		
Discount rate	7.31%	5.99%
Long-term rate of compensation increase	5.00%	5.00%
Expected rate of return on plan assets	7.31%	5.99%
Average remaining life (in years)	21	21
Attrition rate	24.00%	25.00%

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 95 Lakhs to be paid for financial year 2022-23. The weighted average duration of the defined benefit obligation as at March 31, 2023 is 3.96 years (March 31, 2022: 3.83 years)

Employee benefits - Maturity profile

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2023					
Defined benefit obligation	269	181	380	208	**1,038**
March 31, 2022					
Defined benefit obligation	283	175	353	191	**1,002**

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:

	Attrition rate		Discount rate		Future salary increases	
	Increase	**Decrease**	**Increase**	**Decrease**	**Increase**	**Decrease**
March 31, 2023						
> Sensitivity Level	0.5%	(0.5%)	0.5%	(0.5%)	0.5%	(0.5%)
> Impact on defined benefit obligation	0.45	(0.48)	(11.53)	11.89	11.70	(11.50)
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)

ii) Compensated absences

The Company permits encashment of compensated absences accumulated by its 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 260 Lakhs (FY 2021-22 : INR 350 Lakhs).

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Principal actuarial assumptions used :		
Discount rate	7.31%	5.99%
Long-term rate of compensation increase	5.00%	5.00%
Average remaining life	21	23
Attrition rate	24.00%	25.00%

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

19 Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current		
Advance from customers	700	3,660
	700	**3,660**
Current		
Statutory dues	596	537
Billing in advance of work completed	1,072	1,483
Advance from customers	9,568	9,679
Unbilled Payables	39,004	24,959
Others	3,080	1,320
	53,320	**37,978**

20 Borrowings

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current borrowings (Secured)		
Term loans from banks	4,479	7,372
	4,479	**7,372**
Current borrowings (Secured)		
From Banks		
Packing credit	6,335	8,230
Cash Credit	2	1,806
Working Capital Demand Loan	7,987	16,250
Current maturities of long term borrowings	1,500	6,225
	15,824	**32,511**

The carrying amount of borrowings is considered to be a reasonable approximation of fair value.

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 7.75% p.a to 9.08% p.a (March 31, 2022: 7.5% p.a to 11.00% p.a) and 2.19% p.a to 7.08% p.a (March 31, 2022: 2.15% p.a to 2.65% 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 7.9% p.a to 9.70% p.a (March 31, 2022: 7.9% p.a to 9.85% p.a) and are secured against receivables of the Company.

iii) The Company has availed working capital demand loan at an interest rate of 6.25% p.a to 9.70% p.a (March 31, 2022 : 6.25% p.a to 9.75% 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 working capital term loan from various banks at an interest rate of 7.85% p.a to 9.50% p.a (March 31, 2022 : 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 .

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

21 Current tax liabilities (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax liabilities net of advance taxes	-	1,928
	-	**1,928**

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, 2023			
Financial assets			
Investments	17	-	17
Trade receivables	-	1,92,634	1,92,634
Cash and bank balances	-	16,620	16,620
Other financial assets	-	9,401	9,401
	17	**2,18,655**	**2,18,672**

Particulars	Financial liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total
As at March 31, 2023			
Financial liabilities			
Trade payables	-	1,00,957	1,00,957
Borrowings	-	20,303	20,303
Other financial liabilities	-	2,859	2,859
	-	**1,24,119**	**1,24,119**

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	-	1,81,661	1,81,661
Cash and bank balances	-	21,506	21,506
Other financial assets	-	9,657	9,657
	17	**2,13,026**	**2,13,043**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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
	-	**1,36,774**	**1,36,774**

Investments excludes equity and other instruments in subsidiaries and associates amounting to INR 9,491 Lakhs (Previous year INR 5,573 Lakhs) which are measured at cost.

The carrying value of financial assets and financial liabilities approximates the fair value of financial assets and financial liabilities as at March 31, 2023 and March 31, 2022.

Also refer note 38 fair value measurement

23 Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services		
Export	81,014	1,02,762
Domestic	1,49,879	1,08,283
	2,30,893	**2,11,045**
Other operating revenues, net (Also refer note 16 (b))*	1,637	3,216
	2,32,530	**2,14,261**

* Other operating revenue includes income from scrip sales and duty drawback of INR 246 Lakhs (2021 - 22 : INR 1,051 Lakhs)

A Disaggregation of sale of services

Revenue from operations are disaggregated based on projects, based on customers, based on timing of revenue recognition and based on geography.

a) Based on Projects

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Construction contracts	2,02,259	1,83,429
Operation and maintenance contracts	28,634	27,616

b) Based on Customers

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Industrial	90,058	89,804
Municipal	1,40,835	1,21,242

c) Based on Timing of revenue recognition

Revenues from construction contracts and operation & 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'.

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, 2023 amounting to INR 947,602 Lakhs (March 31, 2022 : INR 673,608 Lakhs)

Construction contracts are progressively executed over a period of upto 3.5 years and based on specific project schedules. Operation and maintenance contracts are expected to be executed over a period of 1 to 20 years, primarily invoiced on a monthly basis.

C Reconciliation of sale of services with contract price

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening contract price of orders as at April 01	**6,73,608**	**6,31,228**
Fresh orders /Change in orders received, net	4,88,762	2,46,295
Total revenue recognised during the year	(2,30,893)	(2,11,045)
Effects of foreign exchange movement	16,125	7,130
Closing contract price of orders as at March 31	**9,47,602**	**6,73,608**

24 Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit on sale of property, plant and equipment, net	23	9
Interest income from deposits with banks and others	764	414
Dividend income	51	615
Foreign currency gain, net	5,219	1,788
	6,057	**2,826**

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, 2023	Year ended March 31, 2022
Material costs	94,322	84,404
Civil costs	46,578	45,057
Erection and commissioning costs	6,862	7,687
Taxes and duties	483	1,557
Site establishment costs	5,988	5,766
Engineering costs	2,921	3,701
Project consultancy fee	656	377
Warranty expenses (Also refer note 18(a))	459	1,405
Foreseeable losses on contracts (Also refer note 18(c))	(11)	(90)
Project travel	1,533	1,156
Insurance costs	393	705
Power and fuel	182	283
Liquidated damages (Also refer note 18(b))	63	756
Other operation and maintenance expenses, net	5,384	7,692
Other project expenses, net	13,502	9,487
	1,79,315	**1,69,943**

26 Changes in inventories

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year			
Contract inventories		8	62
Stores and spares		842	788
	(A)	**850**	**850**
Less: Inventories at the end of the year			
Contract inventories		599	8
Stores and spares		1,003	842
	(B)	**1,602**	**850**
	(A-B)	**(752)**	**-**

27 Employee benefits expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	15,276	14,042
Gratuity and compensated absences (Also refer note 18(d))	343	435
Contribution to provident and other defined contribution funds	585	580
Staff welfare expenses	578	544
	16,782	**15,601**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

28 Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest expenses for borrowings at amortised cost	2,669	3,337
Bank charges	3,338	4,151
Interest on lease liabilities	-	1
	6,007	**7,489**

29 Depreciation and amortisation expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property,plant and equipment (Also refer note 4)	392	471
Amortisation of intangible assets (Also refer note 4)	23	61
	415	**532**

30 a) Other expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rent (Also refer note 34)	225	210
Insurance	84	81
Power and fuel	188	156
Rates and taxes	24	33
Repairs and maintenance	540	456
Professional charges (Also refer note 35)	1,336	1,269
Communication expenses	86	62
Travelling and conveyance	369	168
Bad and doubtful debts, net	3,359	6,026
Impairment of investments	531	1,582
Corporate social responsibility expenses (Also refer note 36)	115	162
Printing and stationery	36	41
Office and maintenance expenses	195	156
Miscellaneous expenses	604	910
	7,692	**11,312**
b) Exceptional items (Also refer note no 46)	28,923	-

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, 2023 and March 31, 2022 are:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax:		
Income tax expense	745	3,617
Deferred tax:		
Relating to origination and reversal of temporary differences	(667)	(625)
Tax expense reported in the statement of profit and loss	**78**	**2,992**
Income tax relating to items that will not be reclassified to profit and loss	(3)	9
Tax expense reported in other comprehensive income	**(3)**	**9**

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, 2022: 25.168%) and the reported tax expense in the statement of profit and loss are as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before taxes	205	12,210
Enacted tax rates	25.168%	25.168%
Tax on profit at enacted tax rate	52	3,073
Dividend Income taxed at lower rate	(4)	(49)
Tax effect on non deductible expenses	29	(26)
Others	1	(5)
Income tax expense	**78**	**2,992**
Current tax	745	3,617
Tax reversal relating to previous years	-	-
Deferred tax	(667)	(625)
Income tax expense reported in the statement of profit and loss	**78**	**2,992**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

32 Earnings per equity share (EPS)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
For profit for the year		
Nominal value of equity shares (in INR)	2	2
Profit attributable to equity shareholders after exceptional item (A)	127	9,218
Profit before exceptional items attributable to equity shareholders (B)	21,771	9,218
Weighted average number of equity shares outstanding during the year (C)	6,21,90,428	6,21,90,428
Basic & Diluted earnings per equity share (A/C) (in INR)	**0.20**	**14.82**
Basic & Diluted earnings per equity share before exceptional item (B/C) (in INR)	**35.01**	**14.82**
For total comprehensive income		
Nominal value of equity shares (in INR)	2	2
Total comprehensive income attributable to equity shareholders after exceptional items (a)	118	9,244
Total comprehensive income before exceptional items attributable to equity shareholders (b)	21,771	9,244
Weighted average number of equity shares outstanding during the year (c)	6,21,90,428	6,21,90,428
Basic & Diluted earnings per equity share (a/c) (in INR)	**0.19**	**14.86**
Basic & Diluted earnings per equity share after exceptional item (b/c) (in INR)	**34.99**	**14.86**

33 Contract assets and contract liabilities

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Contract assets and contract liabilities		
Contract Balances		
Movement in contract assets		
Opening balance	**39,975**	**48,937**
Changes in the measure of progress, claims and other adjustments, net	23,033	15,445
Transfer to trade receivables, net	(23,173)	(24,407)
Closing balance	**39,835**	**39,975**
Movement in contract Liabilities		
Opening balance	**14,824**	**31,016**
Advances received during the year	318	12
Billing in advance for work completed	7	1,379
Advances offset against billing, net	(3,392)	(14,367)
Revenues recognised during the period	(417)	(3,216)
Closing balance	**11,340**	**14,824**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

34 Leases

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(A) Expenses related to leases recognised in Statement of Profit and Loss :		
Depreciation expense from right to use assets	-	9
Interest expenses on lease liabilities	-	1
Expenses relating to short term leases (Also refer note 30)	225	210
(B) Payments related to leases recognised in Statement of Cash Flows:		
Recognition of finance lease liabilities	-	9
Interest paid on finance lease liabilities	-	1

35 Remuneration to auditors (included as part of Professional charges)*

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As auditor		
Audit fees	51	51
Taxation matters	4	4
Other services	8	10
Reimbursement of expenses	4	2
	67	**67**

* excluding taxes

36 Expenditure on Corporate Social Responsibility (CSR)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Amount required to be spent by the Company during the year	115	162
b) Amount of expenditure incurred *	115	162
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	-	-

*Previous year includes amount transferred to separate bank account towards ongoing CSR projects amounting to INR 137 Lakhs.

#Water conservation and environmental sustainability and skill development activities.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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 (ceased to be a subsidiary effective April 12, 2023)
	VA Tech Wabag Deutschland GmbH, Germany
	VA Tech Wabag Brno spol S.R.O, Czech Republic (ceased to be a subsidiary effective March 10, 2023)
	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 (Intiated the liquidation process)
	Wabag Muhibbah JV Sdn Bhd, Malaysia
	Wabag Belhasa JV WLL, Bahrain
	VA Tech Wabag and Roots Contracting LLC, Qatar
	Ganga STP Project Private Limited (Subsidiary upto September 22, 2021)
	DK Sewage Project Private Limited
	Ghaziabad Water Solutions Private Limited
	Kopri Bio Engineering Private Limited
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 (In the process of being struck off)
Joint Venture	International Water Treatment LLC, Oman (Liquidated on April 17, 2022)
Key Managerial Personnel (KMP)	Mr. Rajiv Mittal - Chairman & Managing Director
	Mr. S Varadarajan - Whole Time Director & Chief Growth Officer
	Mr. Malay Mukherjee - Independent director, Chairman (Ceased to be a director w.e.f January 29, 2022)
	Mr. Milin Mehta - Independent director
	Ms. Vijaya Sampath - Independent director
	Mr. Ranjit Singh - Independent director
	Mr. Amit Goela - Non Executive Non Independent director (Appointed w.e.f July 19, 2021)
	Mr. Pankaj Malhan - Deputy Managing Director and Group Chief Executive Officer (Appointed w.e.f December 07 ,2022)
	Mr. Skandaprasad Seetharaman - Chief Financial Officer (Appointed w.e.f June 08, 2021)
	Mr. Shailesh Kumar - CEO India Cluster (Appointed w.e.f May 27, 2022)
	Mr. Arulmozhi - CFO India Cluster (Appointed w.e.f June 01, 2021)
	Mr. Sandeep Agrawal - Chief Financial Officer (Resigned w.e.f June 07, 2021)
	Mr. Pankaj Sachdeva - CEO India Cluster (Resigned w.e.f September 30, 2022)
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.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

b) Transactions with related parties

Particulars	Year ended March 31, 2023			Year ended March 31, 2022		
	Subsidiaries	Associates	KMP and other related party	Subsidiaries	Associates	KMP and other related party
Sale of goods/services	14,964	18,547	-	8,525	5,881	-
Purchase of goods/services	11,164	-	-	11,307	-	-
Investments made*	4,449	-	-	2,864	952	-
Others operating income	580	135	-	517	736	-
Interest Income	41	-	-	10	-	-
Other expenses	544	-	-	420	-	-
Reimbursements from /to, net	19	-	-	34	-	-

* Investments include investment in equity shares, non convertible debentures, and inter-corporate deposit and inter-corporate deposit converted to equity/non-convertible debentures.

c) Balances with related parties

Particulars	As at March 31, 2023			As at March 31, 2022		
	Subsidiaries	Associates	KMP and other related party	Subsidiaries	Associates	KMP and other related party
Advances/ amount recoverable	18,036	3,824	-	16,604	137	-
Loan to/(from) including interest	-	-	-	202	-	-
Creditors/ Payables	6,420	85	100	6,575	77	84

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, 2022 INR 205 Lakhs)

d) List of guarantees

Purpose of Guarantee	As at March 31, 2023			As at March 31, 2022		
	Subsidiaries	Associates	KMP and other related party	Subsidiaries	Associates	KMP and other related party
Corporate guarantee for securing banking lines	1,067	-	-	952	-	-
Bank guarantee for contract performance	2,606	-	-	6,005	-	-

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

e) Remuneration to Key Managerial Personnel and Other Related Parties

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries including bonus	1,066	715
Post employment and termination benefits	82	61
Commission	60	71

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 advances, 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 maximise the use of observable inputs and minimise 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. 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, 2023, March 31, 2022:

(a) Quantitative disclosures fair value measurement hierarchy for assets as at March 31:

i) Assets measured at fair value:

Particulars	Fair value measurement using				
	Date of valuation	Carrying value	Level 1	Level 2	Level 3
Fair value through statement of profit and loss					
Investments					
2023	March 31, 2023	17	-	-	17
2022	March 31, 2022	17	-	-	17

ii) Liabilities measured at fair value:

Particulars	Fair value measurement using				
	Date of valuation	Carrying value	Level 1	Level 2	Level 3
Financial guarantees					
2023	March 31, 2023	-	-	-	-
2022	March 31, 2022	-	-	-	-

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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, 2023 of INR 14,324 (March 31, 2022 INR 27,564) and of INR 5,979 (March 31, 2022 INR 12,319) 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 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, trade and other receivables, cash and short-term deposits that are created directly from its operations. .

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

i. 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 March 31, 2023 (March 31, 2022: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. Sensitivity calculations are based on a annualised interest cost on the borrowings at floating rate as of the reporting dates March 31, 2023 and March 31, 2022 . All other variables are held constant.

Particulars		As at March 31, 2023	As at March 31, 2022
Profit before tax			
Increase	+1%	60	123
Decrease	-1%	(60)	(123)
Equity before tax			
Increase	+1%	60	123
Decrease	-1%	(60)	(123)

ii. 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.

Foreign currency denominated financial assets and financial liabilities which predominantly expose the Company to currency risk are disclosed below. The amounts shown are translated at the closing rate:-

Particulars	Foreign currency exposure (in INR in Lakhs)	
	USD	EUR
March 31, 2023		
Financial assets	74,125	2,514
Financial liabilities	21,590	6,521
March 31, 2022		
Financial assets	69,499	16
Financial liabilities	15,268	7,715

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, 2023 (March 31, 2022: 1%).

If the INR had strengthened against the USD by 1% during the year ended March 31, 2023 (March 31, 2022: 1%), and EUR by 1% during the year ended March 31, 2023 (March 31, 2022: 1%) respectively then this would have had the following impact on profit before tax and equity before tax:

Particulars		As at March 31, 2023	As at March 31, 2022
Profit before tax			
USD	**+1%**	525	542
EUR	**+1%**	(40)	(77)
		485	**465**
Equity before tax			
USD	**+1%**	525	542
EUR	**+1%**	(40)	(77)
		485	**465**

If the INR had weakened against the USD by 1% during the year ended March 31, 2023 (March 31, 2022: 1%) and EUR by 1% during the year ended March 31, 2023 (March 31, 2022: 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 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:

Particulars	As at March 31, 2023	As at March 31, 2022
Classes of financial assets		
Trade receivables	1,92,634	1,81,661
Cash and cash equivalents balances	8,614	14,482
Bank balances other than those mentioned in cash and cash equivalents	8,006	7,024
Other financial assets	9,401	9,657

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, 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, 2023, the Company had 19 (Previous year 2021-22 : 18) customers that owed the Company more than INR 3,000 Lakhs each and accounted for approximately 83% (Previous year 2021-22: 85%) of all the receivables outstanding. As at March 31, 2023, the Company has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired .(Also refer note 6)

The credit risk for cash and cash equivalents, balance with banks 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.The credit risk on these balances are estimated to be low as at March 31, 2023.

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.

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.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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, 2023 and March 31, 2022.

As at March 31, 2023	**Current**		**Non-current**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**Later than 5 years**
Borrowings	15,555	993	5,014	-
Trade payables	86,953	-	14,004	-
Other financial liabilities	2,747	-	112	-
	1,05,255	**993**	**19,130**	**-**

As at March 31, 2022	**Current**		**Non-current**	
	Within 6 months	**6 to 12 months**	**1 to 5 years**	**Later than 5 years**
Borrowings	31,927	1,402	8,501	-
Trade payables	77,637	-	16,470	-
Other financial liabilities	2,673	-	111	-
	1,12,237	**1,402**	**25,082**	**-**

40 Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (March 31, 2023) and the date of authorisation (May 19, 2023) other than those disclosed under respective notes.

41 Contingent liabilities, commitments and guarantees

a) Claims against the Company not acknowledged as debt

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Income tax demand including interest contested in appeal for various assessment years	537	413
Indirect tax matters under dispute including interest contested in appeal for various years	6,479	6,837

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).

c) Guarantees excluding financial guarantees

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Guarantees issued by the Company for:		
- subsidiaries	2,606	6,005

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

42 Segment reporting

The Company publishes the 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	March 31, 2023	March 31, 2022	Change	Numerator	Denominator
a. Current Ratio	1.38	1.42	(2.6%)	Current assets	Current Liabilities
b. Debt-Equity Ratio*	0.16	0.32	(49.1%)	Total Debt (Long & Short term)	Shareholder's Equity
c. Debt Service Coverage Ratio$	0.77	1.37	(43.7%)	Earnings available for debt service	Debt Service
Before exceptional items	5.96	1.37			
d. Return on Equity Ratio (ROE)#	0.1%	7.6%	(98.7%)	Net Profits after taxes	Average Shareholder's Equity
Before exceptional items	17.3%	7.6%			
e. Inventory turnover Ratio	15.69	20.69	(24.1%)	Cost of goods sold or sales	Average Inventory
f. Trade Receivables turnover Ratio	1.23	1.19	4.0%	Net Credit Sales	Average Accounts Receivable
g. Trade payables turnover Ratio	1.83	1.80	1.9%	Net Credit Purchases	Average Trade Payables
h. Net capital turnover Ratio	3.77	3.27	15.2%	Net Sales	Working Capital
i. Net profit Ratio#	0.1%	4.4%	(98.7%)	Net Profit	Net Sales
Before exceptional items	9.4%	4.4%			
j. Return on Capital employed (ROCE)#	2.3%	12.0%	(81.0%)	Earning before interest and taxes	Capital Employed
Before exceptional items	25.2%	12.0%			

* Due to considerable reduction in debt in current year as compared to previous year.

Due to exceptional items in the current year.'

$ Due to exceptional items and reduction in repayment of terms loan in current year.

All investments are non current in nature and invested in group companies as equity instruments, hence return on investment ratio is not computed.

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.(Previous Year : Nil)

45 Additional disclosures under Schedule III Division II of the Companies Act

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, as at the end of the year.

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 (Previous Year :Nil)

d. There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period as at the end of the year.

e. The Company has not traded or invested in Crypto currency or Virtual currency during the financial year ended March 31, 2023. (Previous Year :Nil)

46 a) Pursuant to the inordinate delays in recovery of the receivables from Tecpro due to the prolonged legal proceedings at the National Company Law Tribunal ('NCLT') and from Andhrapradesh Power Generation Corporation Limited (APGENCO) due to project completion delays not attributable to the Company, the receivables and other current assets pertaining to these projects to the tune of INR 28,923 Lakhs have been written off and reported under Exceptional Items in the Statement of Profit and Loss in the current financial year. The Company will continue its efforts to pursue the recovery of these balances.

b) The Company has completed the project for Telangana State Generation Corporation Limited (TSGENCO) and is in the process of recovering the receivables and retentions of INR 11,078 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.

Notes 1 to 46 form an integral part of the standalone financial statements.

In terms of our report of even date attached

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

V Viswanathan
Partner
(Membership No.: 215565)

Place : Chennai
Date : May 19, 2023

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

Milin Mehta
Director
(DIN: 01297508)

Rajiv Mittal
Chairman & Managing Director
(DIN: 01299110)

Skandaprasad Seetharaman
Chief Financial Officer

Anup Kumar Samal
Company Secretary
(Membership No: F4832)

Place : Chennai
Date : May 19, 2023

Independent Auditors' 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, which comprise the Consolidated Balance Sheet as at 31 March 2023, 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 and its associates as at 31 March 2023, 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 and its associates 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.

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.

S. No	Key audit matter description and principal audit procedures
1	**Revenue recognition** Refer Notes 4.4, 11 and 23 in the 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.

S. No	Key audit matter description and principal audit procedures
	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 the 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 the 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, 4.10, 7, 11 and 50 in the 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 the 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.
	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 the 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 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 are responsible for the 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 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 are responsible for assessing the ability of the Group and of its associates 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 and its associate 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 are responsible for overseeing the financial reporting process of the Group and of its associates.

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 the 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 the 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 and its associates 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 and its associates 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 and its associates 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 seventeen subsidiaries, whose financial information reflect total assets of Rs. 1,43,828 Lakhs and net assets of Rs. 44,508 Lakhs as at 31 March 2023, total revenues of Rs. 88,571 Lakhs, total comprehensive loss of Rs. 460 Lakhs and net cash outflows amounting to Rs. 8,586 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 income (net) of Rs. 925 Lakhs for the year ended 31 March 2023, in respect of three associates, whose financial statements have not been audited by us. The financial information of these subsidiaries and associates 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 and associates 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 and associates, 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 2023 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 are disqualified as on 31 March 2023 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 respective managements of the Holding Company, its subsidiaries and associate company incorporated in India, whose financial statements have been audited under the Act, have 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 Holding Company, its subsidiaries and associate company, incorporated in India 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 Holding Company, its subsidiary companies and associate company incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) the respective managements of the Holding Company, its subsidiaries and associate company incorporated in India, whose financial statements have been audited under the Act, have 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 Holding Company, its subsidiary companies and associate company incorporated in India from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiary companies and associate company incorporated in India from any person or entity, 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, performed by us and those performed by the auditors of subsidiaries / associate company which are incorporated in India, whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or other auditors 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.

(i) The Holding Company has not declared or paid any dividend during the financial year.

(j) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Holding Company, its subsidiary companies and associate company which are incorporated in India with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 23215565BGYMBR3880

Place: Chennai
Date: 19 May 2023

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 2023, 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 2023, 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: 23215565BGYMBR3880

Place: Chennai
Date: 19 May 2023

WABAG
sustainable solutions. for a better life.

Consolidated Balance Sheet as at March 31, 2023

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	5	7,184	7,663
Intangible assets	5	364	332
Investments accounted for using the equity method	6	4,147	3,343
Financial assets			
- Investments	6	429	414
- Trade receivables	7	68,713	74,559
- Other financial assets	8	8,608	5,110
Deferred tax assets (net)	9	3,711	3,617
Income tax assets (net)	10	8,336	8,563
Other non-current assets	11	260	258
		1,01,752	**1,03,859**
Current assets			
Inventories	12	4,113	3,195
Financial assets			
- Trade receivables	7	1,50,682	1,32,553
- Cash and cash equivalents	13	18,058	32,101
- Bank balances other than those mentioned in cash and cash equivalents	13	9,482	10,758
- Other financial assets	8	9,315	3,935
Other current assets	11	1,07,219	1,13,833
Assets classified as held for sale	48	8,299	-
		3,07,168	**2,96,375**
Total assets		**4,08,920**	**4,00,234**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	1,244	1,244
Other equity			
- Securities premium reserve		39,391	39,391
- Reserves and surplus		1,16,854	1,13,277
Equity attributable to owners of the Parent		**1,57,489**	**1,53,912**
Non-controlling interest		(26)	(1,326)
Total equity		**1,57,463**	**1,52,586**
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	16	5,500	9,360
- Lease liabilities		322	484
- 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	13,322	15,509
- Other financial liabilities	18	112	111
Provisions	19	1,301	1,263
Deferred tax liabilities (net)	9	105	327
Other non-current liabilities	20	700	3,660
		21,362	**30,714**
Current liabilities			
Financial liabilities			
- Borrowings	16	15,824	33,489
- Lease liabilities		262	259
- Trade payables			
total outstanding dues of micro enterprises and small enterprises	17	879	1,294
total outstanding dues of creditors other than micro enterprises and small enterprises	17	1,06,090	97,240
- Other financial liabilities	18	3,503	3,135
Other current liabilities	20	91,529	72,293
Provisions	19	5,305	6,901
Current tax liabilities (net)	21	810	2,323
Liabilities associated with the assets classified as held for sale	48	5,893	-
		2,30,095	**2,16,934**
Total liabilities		**2,51,457**	**2,47,648**
Total equity and liabilities		**4,08,920**	**4,00,234**

Notes 1 to 50 form an integral part of these consolidated financial statements.

In terms of our report of even date attached

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

V Viswanathan
Partner
(Membership No.: 215565)

Place : Chennai
Date : May 19, 2023

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

Milin Mehta
Director
(DIN: 01297508)

Rajiv Mittal
Chairman & Managing Director
(DIN: 01299110)

Skandaprasad Seetharaman
Chief Financial Officer

Anup Kumar Samal
Company Secretary
(Membership No: F4832)

Place : Chennai
Date : May 19, 2023

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

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Note	Year ended March 31, 2023	Year ended March 31, 2022
Income			
Revenue from operations	23	2,96,048	2,97,930
Other income	24	5,360	3,239
Total income		**3,01,408**	**3,01,169**
Expenses			
Cost of sales and services	25	2,27,794	2,30,829
Changes in inventories	26	(840)	(259)
Employee benefits expense	27	26,551	25,066
Finance costs	28	6,580	8,770
Depreciation and amortisation expense	29	881	1,013
Other expenses	30a	10,761	18,595
Total expenses		**2,71,727**	**2,84,014**
Profit before share of net profits of investments accounted for using equity method and tax		**29,681**	**17,155**
Share of profit of associates and a joint venture, net		925	(316)
Profit before tax		**30,606**	**16,839**
Exceptional items	30b	(28,923)	-
Profit before tax		**1,683**	**16,839**
Tax expense	31		
Current tax		1,461	4,372
Deferred tax		(871)	(739)
Profit for the year		**1,093**	**13,206**
Profit for the year attributable to:			
Owners of the parent		**1,285**	**13,191**
Non-controlling interests		(192)	15
		1,093	**13,206**
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Re-measurement gains on defined benefit plans		(16)	49
- Exchange differences on translation of foreign operations		-	(22)
- Income tax relating to items that will not be reclassified to profit and loss		-	(9)
		(16)	**18**
Items that will be reclassified subsequently to profit and loss			
- Exchange differences on translation of foreign operations		2,202	(296)
		2,202	**(296)**
Other comprehensive income for the year, net of tax		**2,186**	**(278)**
Total comprehensive income for the year		**3,279**	**12,928**
Other comprehensive income for the year, net of tax attributable to:			
Owners of the parent		**2,300**	**(256)**
Non-controlling interests		(114)	(22)
		2,186	**(278)**
Total comprehensive income for the year attributable to:			
Owners of the parent		**3,585**	**12,935**
Non-controlling interests		(306)	(7)
		3,279	**12,928**
Earnings per equity share	32		
Basic & Diluted (in INR)		2.07	21.21
Earnings per equity share before exceptional items	32		
Basic & Diluted (in INR)		36.87	21.21

Notes 1 to 50 form an integral part of these consolidated financial statements.

In terms of our report of even date attached

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

V Viswanathan
Partner
(Membership No.: 215565)

Place : Chennai
Date : May 19, 2023

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

Milin Mehta
Director
(DIN: 01297508)

Rajiv Mittal
Chairman & Managing Director
(DIN: 01299110)

Skandaprasad Seetharaman
Chief Financial Officer

Anup Kumar Samal
Company Secretary
(Membership No: F4832)

Place : Chennai
Date : May 19, 2023

Consolidated Statement of Cash Flows for the year ended March 31, 2023

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
A.	**Cash flow from operating activities**		
	Profit before tax and exceptional items	**30,606**	**16,839**
	Exceptional items (Also refer note 50)	(28,923)	-
	Profit before tax	**1,683**	**16,839**
	Adjustments to reconcile net income to net cash provided by operating activities		
	Depreciation and amortisation expense	881	1,013
	Share of (gain)/loss from associates and joint venture, net	(925)	316
	Unrealised foreign exchange (gain)	(1,402)	(484)
	Bad and doubtful debts, net	3,412	11,579
	Unclaimed credit balances	(415)	(1,437)
	(Gain) on sale of property, plant and equipment, net	(23)	(111)
	(Gain) on sale/liquidation of investment in subsidiary/joint venture	(500)	(655)
	Interest expenses on lease liabilities	24	30
	Interest expenses	2,847	3,597
	Interest and Dividend income	(1,146)	(1,335)
	(Reversal) for foreseeable losses on contracts	(11)	(90)
	Provision for compensated absences and gratuity	698	875
	Provision for liquidated damages	63	756
	Provision for warranty	1,142	305
	Operating profit before working capital changes	**6,328**	**31,198**
	Changes in working capital		
	(Increase) in trade receivables	(12,869)	(27,727)
	(Increase)/Decrease in other financial assets	(8,123)	3,961
	Decrease in other assets	6,612	33,647
	(Increase) in inventories	(751)	(259)
	Increase/(Decrease) in trade payables	5,617	(6,253)
	Increase in other financial liabilities	1,392	307
	Increase/(Decrease) in other liabilities	16,668	(31,992)
	(Decrease)/Increase in provisions	(3,629)	143
	Cash generated from operating activities	**11,245**	**3,025**
	Direct taxes paid, net	(2,747)	(1,861)
	Net cash generated from operating activities (a)	**8,498**	**1,164**
B.	**Cash flow from investing activities**		
	Purchase of property, plant and equipment and intangible assets	(518)	(552)
	Proceeds from sale of property, plant and equipment and intangible assets	350	288
	Purchase of investments	-	(1,827)
	Dividend received	111	862
	Interest received	667	597
	Net movement in bank deposits	968	(2,765)
	Net cash generated from/(used in) investing activities (b)	**1,578**	**(3,397)**

Consolidated Statement of Cash Flows for the year ended March 31, 2023

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars		Year ended March 31, 2023	Year ended March 31, 2022
C.	**Cash flow from financing activities**		
	Proceeds from long term borrowings	614	3,351
	(Repayment) of long term borrowings	(9,076)	(7,193)
	(Repayment)/Proceeds of short term borrowings, net	(12,551)	12,104
	Recognition of lease liabilities	(159)	(150)
	Interest paid on lease liabilities	(24)	(30)
	Interest paid	(2,814)	(3,642)
	Dividend paid (including additional tax on dividend)	-	24
	Net cash (used in)/generated from financing activities (c)	**(24,010)**	**4,464**
D.	**Net change in cash and cash equivalents (a+b+c)**	**(13,934)**	**2,231**
	Effects of foreign currency translation	2,495	(101)
E.	Cash and cash equivalents at the beginning of the year	32,101	30,378
F.	Bank overdraft at the beginning of the year	-	(407)
G.	**Cash and cash equivalents in Cash Flow Statement at the end of the year**	**20,662**	**32,101**
Cash and cash equivalents at the end of the year include			
Cash on hand		86	142
Cheques on hand		3,124	5,149
Balances with banks			
- in current accounts		12,786	19,480
- in deposit account (with original maturity upto 3 months)		2,062	7,330
- classified under assets held for sale		2,604	-
Cash and cash equivalents as per note 13		**20,662**	**32,101**
Cash and cash equivalents in Cash Flow Statement		**20,662**	**32,101**

Notes 1 to 50 form an integral part of these consolidated financial statements.

In terms of our report of even date attached

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

V Viswanathan
Partner
(Membership No.: 215565)

Place : Chennai
Date : May 19, 2023

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

Milin Mehta
Director
(DIN: 01297508)

Rajiv Mittal
Chairman & Managing Director
(DIN: 01299110)

Skandaprasad Seetharaman
Chief Financial Officer

Anup Kumar Samal
Company Secretary
(Membership No: F4832)

Place : Chennai
Date : May 19, 2023

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

(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, 2021		**1,244**
Issued during the period		-
Balance as at April 01, 2022	**14**	**1,244**
Issued during the period		-
Balance as at March 31, 2023		**1,244**

B. Other equity

Particulars	Notes	Attributable to the equity holders of the Parent											
		Reserves and surplus											
		Capital reserve	Debenture Redemption Reserve	General reserve	Surplus in the statement of profit and loss	Legal reserve	Foreign currency translation reserve	Accumulated other comprehensive income	Total reserves and surplus	Securities premium reserve	Total attributable to the equity holders of the Parent	Non-controlling interest	Total equity
Balance as at April 01, 2021		**15,837**	**-**	**3,343**	**75,096**	**71**	**6,536**	**(541)**	**1,00,342**	**39,391**	**1,39,733**	**(1,343)**	**1,38,390**
Dividends		-	-	-	-	-	-	-	-	-	-	24	24
Dividend distribution tax		-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners/ Non-controlling interests		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**24**	**24**
Profit 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)**	**1,13,277**	**39,391**	**1,52,668**	**(1,326)**	**1,51,342**

Consolidated Statement of Changes in Equity for the year ended March 31, 2023

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	Notes	Attributable to the equity holders of the Parent											
		Reserves and surplus											
		Capital reserve	Debenture Redemption Reserve	General reserve	Surplus in the statement of profit and loss	Legal reserve	Foreign currency translation reserve	Accumulated other comprehensive income	Total reserves and surplus	Securities premium reserve	Total attributable to the equity holders of the Parent	Non-controlling interest	Total equity
Balance as at April 01, 2022		**15,837**	**-**	**3,343**	**88,287**	**71**	**6,240**	**(501)**	**1,13,277**	**39,391**	**1,52,668**	**(1,326)**	**1,51,342**
Dividends		-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax		-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners/ Non-controlling interests		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Profit for the year		-	-	-	1,285	-	-	-	1,285	-	1,285	(192)	1,093
Movements in non-controlling interest		-	-	-	-	-	-	-	-	-	-	1,606	1,606
Effects of sale of subsidiary		(12)	-	-	(13)	-	17	-	(8)	-	(8)	-	(8)
Transfer between reserves		(100)	107	-	(7)	-	-	-	-	-	-	-	-
Other comprehensive income (net of tax)		-	-	-	-	-	2,316	(16)	2,300	-	2,300	(114)	2,186
Total comprehensive income		**(112)**	**107**	**-**	**1,265**	**-**	**2,333**	**(16)**	**3,577**	**-**	**3,577**	**1,300**	**4,877**
Balance as at March 31, 2023		**15,725**	**107**	**3,343**	**89,552**	**71**	**8,573**	**(517)**	**1,16,854**	**39,391**	**1,56,245**	**(26)**	**1,56,219**

Notes 1 to 50 form an integral part of these consolidated financial statements.

In terms of our report of even date attached

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

V Viswanathan
Partner
(Membership No.: 215565)

Place : Chennai
Date : May 19, 2023

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

Milin Mehta
Director
(DIN: 01297508)

Rajiv Mittal
Chairman & Managing Director
(DIN: 01299110)

Skandaprasad Seetharaman
Chief Financial Officer

Anup Kumar Samal
Company Secretary
(Membership No: F4832)

Place : Chennai
Date : May 19, 2023

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.

The consolidated financial statements as at and for the year ended March 31, 2023 are approved and authorised for issue by the Board of Directors on May 19, 2023.

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

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 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 01, 2023, as below:

Ind AS 1 – Presentation of Financial Statements: The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Group does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income Taxes: The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Group is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors: The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Group does not expect this amendment to have any significant impact in its financial statements.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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, 2023. 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 incorporation	Percentage of holding/interest as at	
		March 31, 2023	March 31, 2022
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(1)	Thailand	90.6	90.6
Wabag Muhibbah JV SDN BHD	Malaysia	70	70
VA Tech Wabag GmbH	Austria	100	100
Wabag Wassertechnik AG(2)	Switzerland	100	100
VA Tech Wabag Deutschland GmbH	Germany	100	100
VA Tech Wabag Brno spol S.R.O(3)	Czech Republic	-	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
VA Tech Wabag and Roots Contracting L.L.C. – Project I	Qatar	60	60
Wabag Belhasa JV WLL	Bahrain	100	100
DK Sewage Project Private Limited (4)	India	100	100
Ghazaibad Water Solutions Private Limited (5)	India	100	100
Kopri Bio Engineering Private Limited (6)	India	51	51
Associates			
Windhoek Goreangab Operating Company (Pty) Limited	Namibia	33	33
Ganga STP Project Private Limited (7)	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 (8)	Oman	-	-

(1) Wabag Limited, in Thiland is in the process of being liquidated.

(2) Wabag Wassertechnik AG in Switzerland 100% stake has been sold on April 12, 2023 and carrying value of assets and liablities of the entity as at March 31, 2023 are classified as “Held for Sale” in accordance with Indian Accounting Standard (Ind AS) 105 ‘Non-current assets held for sale and discontinued operations’.

(3) VA Tech Wabag Brno spol S.R.O in Czech Republic 100% stake has been sold on March 10, 2023.

(4) Ganga STP Project Private Limited has been incorporated on April 05, 2019 as a project specific entity.

(5) DK Sewage Project Private Limited has been incorporated on September 26, 2019 as a project specific entity.

(6) 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.

(7) Kopri Bio Engineering Private Limited has been incorporated on November 27, 2020 as a project specific entity.

(8) 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

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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. 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 summarized 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.

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 using of percentage of completion method 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. Amounts 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.

c. 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 operations 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 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 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

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets' (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 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 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 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 the conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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 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 as at 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.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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

A. 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.

i. Provident fund and Employee state insurance scheme

The Parent makes contribution to the statutory provident fund and employee state insurance scheme in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948. These contributions, paid or payable, are recognised as an expenses 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.

iii. Superannuation fund

Contribution made towards Superannuation Fund (funded by payments to an insurance company) is charged as expenses on accrual basis. There are no obligations other than the contribution made to respective fund.

B. Defined benefit plans

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 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.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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.

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 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

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 19(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 Companies Act, 2013. Considering the nature of business activities of the Group, the time between deploying of resources for projects / contracts 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.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

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 with 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, 2023 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.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

5 Property, plant and equipment and intangible assets

Particulars	Property, plant and equipment										Intangible assets	
	Freehold land	Buildings	Plant and machinery	Furniture and fittings	Electrical equipment	Office equipment	Computers	Vehicles	Right to use asset[(1)]	Total	Computer software	Total
Gross carrying value												
Balance as at April 01, 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**
Balance as at April 01, 2022	**1,698**	**4,038**	**701**	**2,275**	**565**	**1,207**	**781**	**636**	**1,727**	**13,628**	**1,601**	**1,601**
Additions	3	-	-	6	1	4	46	233	176	**469**	49	**49**
Disposals	-	10	17	180	1	41	87	178	293	**807**	215	**215**
Assets held for sale	-	-	296	220	-	523	233	156	-	**1,428**	447	**447**
Effects of foreign currency translation	-	(1)	12	(4)	(2)	66	-	(101)	79	**49**	86	**86**
Balance as at March 31, 2023	**1,701**	**4,027**	**400**	**1,877**	**563**	**713**	**507**	**434**	**1,689**	**11,911**	**1,074**	**1,074**
Accumulated depreciation/ amortisation												
Balance as at April 01, 2021	**-**	**399**	**326**	**1,656**	**394**	**842**	**916**	**614**	**707**	**5,854**	**1,370**	**1,370**
Depreciation/amortisation 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**
Balance as at April 01, 2022	**-**	**467**	**333**	**1,847**	**448**	**838**	**664**	**498**	**870**	**5,965**	**1,269**	**1,269**
Depreciation/amortisation expense for the year	-	68	41	222	54	42	69	88	257	**841**	40	**40**
Reversal on disposal of assets	-	2	12	131	1	41	86	127	167	**567**	211	**211**
Assets held for sale	-	-	296	214	-	485	204	149	-	**1,348**	443	**443**
Effects of foreign currency translation	-	(2)	(118)	(144)	3	28	(28)	67	30	**(164)**	55	**55**
Balance as at March 31, 2023	**-**	**531**	**(52)**	**1,580**	**504**	**382**	**415**	**377**	**990**	**4,727**	**710**	**710**
Net carrying value												
Balance as at March 31, 2022	**1,698**	**3,571**	**368**	**428**	**117**	**369**	**117**	**138**	**857**	**7,663**	**332**	**332**
Balance as at March 31, 2023	**1,701**	**3,496**	**452**	**297**	**59**	**331**	**92**	**57**	**699**	**7,184**	**364**	**364**

(1) 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, 2023	As at March 31, 2022
Non-current		
Investments carried at cost		
Investments accounted for using the equity method		
Windhoek Goreangab Operating Company (Pty) Limited, Namibia	376	386
(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)]	1,093	1,097
(98 (Previous year : 98) equity shares of Qatari Rial 1,000 each)		
Ganga STP Project Private Limited	2,678	1,860
(50,999 (Previous year: 50,999) equity shares of INR 10 each)		
(96,99,000 (Previous year: 96,99,000) compulsory convertible preference shares of INR 10 each)		
(85,15,000 (Previous year: 85,15,000) 9% non convertible debentures of INR 10 each)		
	4,147	**3,343**
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)]	-	-
(Nil (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	412	397
(84 (Previous Year: 84) equity shares of NAD 1 each)		
	429	**414**
Total non-current investments	**4,576**	**3,757**
Aggregate amount of unquoted investments	4,576	3,757
Aggregate amount of impairment in the value of investments	-	-
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)]	-	-
Ganga STP Project Private Limited	26.0%	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.

(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) Amount of investment in current year is INR Nil and is in the process of being struck off under the Companies Act, 2013. Accordingly, investments of INR 26,000 impaired during the year. Since the amount of investment in Previous year: INR 26,000, the same is below the rounding off norm adopted by the Company.

(4) Since the amount of investment is INR 4,190 (March 31, 2022 : 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, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Trade receivables	-	1,46,185	2,500	1,21,870
Customer retention	68,713	4,497	72,059	10,683
	68,713	**1,50,682**	**74,559**	**1,32,553**
Credit impaired				
- Trade receivables and customer retention	-	12,930	-	12,144
Less : Allowances for expected credit loss				
- Trade receivables and customer retention	-	(12,930)	-	(12,144)
	-	**-**	**-**	**-**
	68,713	**1,50,682**	**74,559**	**1,32,553**

Ageing for trade receivables - billed – non current outstanding as at March 31, 2023 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	56,232	-	-	-	-	-	**56,232**
ii)	Undisputed Trade receivables-Which has significant increase in credit risk	-	-	-	-	-	-	**-**
iii)	Undisputed Trade receivables-Credit Impaired	-	-	-	-	-	-	**-**
iv)	Disputed Trade receivables considered good	12,481	-	-	-	-	-	**12,481**
v)	Disputed Trade receivables-Which has significant increase in credit risk	-	-	-	-	-	-	**-**
vi)	Disputed Trade receivables-Credit Impaired	-	-	-	-	-	-	**-**
Total		**68,713**	**-**	**-**	**-**	**-**	**-**	**68,713**

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	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**

Ageing for trade receivables - billed – current outstanding as at March 31, 2023 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	68,606	42,870	23,966	10,919	2,601	501	**1,49,463**
ii) Undisputed Trade receivables-Which has significant increase in credit risk	-	-	-	-	-	-	**-**
iii) Undisputed Trade receivables-Credit Impaired	-	-	715	1,077	546	7,613	**9,951**
iv) Disputed Trade receivables considered good	-	-	-	952	232	36	**1,220**
v) Disputed Trade receivables-Which has significant increase in credit risk	-	-	-	-	-	-	**-**
vi) Disputed Trade receivables-Credit Impaired	-	-	-	211	139	2,628	**2,978**
Total	**68,606**	**42,870**	**24,681**	**13,159**	**3,518**	**10,778**	**1,63,612**
Less: Allowance for expected credit loss							(12,930)
Trade Receivables - Current							**1,50,682**

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	**1,10,351**
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**	**1,44,697**
Less: Allowance for expected credit loss							(12,144)
Trade Receivables - Current							**1,32,553**

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 4,041 Lakhs (March 31, 2022: INR 181 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 786 Lakhs (Year ended March 31, 2022 : (INR 6,325) Lakhs) has been created/(utilised) respectively within other expenses. The Group has provided for expected credit loss on 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, 2023	Year ended March 31, 2022
Balance at the beginning of the year	**12,144**	**18,469**
Additions during the year, net	793	262
Utilised during the year, net	(7)	(6,587)
Balance at the end of the year	**12,930**	**12,144**

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, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Security deposits	4,081	1,394	4,103	1,825
Bank balances*	1,254	-	946	-
Tender deposits	-	174	-	985
Rental deposits	12	302	42	306
Advances to employees	18	398	19	496
Receivables under Service Concession Arrangements	-	250	-	-
Dues from customers for construction contract works under Service Concession Arrangements	3,243	6,741	-	-
Other financial assets	-	56	-	323
	8,608	**9,315**	**5,110**	**3,935**

There are no financial assets due from directors or other officers of the Parent. 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 tax assets (Net)

Particulars		As at March 31, 2023	As at March 31, 2022
The breakup of deferred taxes is as follows:			
Deferred tax asset arising on account of :			
- Provision for employee benefits, liquidated damages and foreseeable losses		159	290
- Allowances for expected credit loss		3,134	2,749
- Others		1,746	5,905
Total deferred tax asset	**A**	**5,039**	**8,945**
Less: Deferred tax liability arising on account of :			
- Carrying value of Property, plant and equipment/Intangible assets as per books and tax laws		417	429
- Others		1,015	5,200
Total deferred tax liability	**B**	**1,432**	**5,629**
Foreign exchange fluctuation	**C**	**-**	**25**
	(A-B-C)	**3,607**	**3,291**
Disclosed as			
Deferred tax assets		**3,711**	**3,617**
Deferred tax liabilities		**105**	**327**

(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, 2023:

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	-	131
- Allowances for expected credit loss	-	(385)
- Others	-	4,159
Deferred tax liability arising on account of :		
- Carrying value of Property, plant and equipment/Intangible assets as per books and tax laws	-	(12)
- Others	-	(4,209)
Foreign exchange fluctuation	-	-
Derecognition of deferred tax liabilities, net on account of disinvestment of subsidiary	-	(556)
Total	**-**	**(872)**

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	-	(53)
- Allowances for expected credit loss	-	(414)
- Others	-	(3,580)
Deferred tax liability arising on account of :		
- 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)**

In assessing the recoverability of deferred tax assets, the Group considers whether it is more likely than not that some portion or all of the deferred income tax assets will be realised. The ultimate realisation 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 realisable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

10 Income tax assets (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax assets net of provision for tax	8,336	8,563
	8,336	**8,563**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

11 Other assets *(Unsecured, considered good)*

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Dues from customers for construction contract works*	-	79,068	-	74,694
Advances to supplier	-	17,609	-	19,604
Balances with government authorities	37	8,544	34	16,750
Duty drawback and other duty free credit entitlement receivable	-	97	-	173
Prepaid expenses	-	1,881	13	2,495
Other assets	223	20	211	117
	260	**1,07,219**	**258**	**1,13,833**

* Includes allowance for expected credit loss amounting to INR 10,006 Lakhs (March 31, 2022: INR 10,040 Lakhs)

There are no advances due from directors or other officers of the Company.

12 Inventories

Particulars	As at March 31, 2023	As at March 31, 2022
Contract inventories	2,753	992
Stores and spares	1,360	2,203
	4,113	**3,195**

13 Cash and bank balances

Particulars	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Cash on hand	86	142
Cheques on hand	3,124	5,149
Balances with banks		
- in current accounts *#	12,786	19,480
- in deposit account (with original maturity upto 3 months)#	2,062	7,330
(A)	**18,058**	**32,101**
Bank balances other than those mentioned in cash and cash equivalents		
Unpaid dividend account	5	6
Deposits with maturity less than 3 months #	1,760	1,246
Deposits with maturity more than 3 months but less than 12 months #	7,027	6,902
Balances with bank held as margin money #	690	2,604
(B)	**9,482**	**10,758**
(A+B)	**27,540**	**42,859**

* Restricted bank balances: Balances with banks include INR 1,609 Lakhs (March 31, 2022: INR 1,680 Lakh) held in a foreign country which are not freely remissible because of exchange/ contractual restrictions.

Deposits and balances with bank includes a sum of INR 13,198 Lakhs (March 31, 2022: INR 13,242 Lakhs) held as margin money / in escrow account or security against the borrowings, guarantees and other commitments.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

14 Equity share capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Authorised				
Equity shares of INR 2 each	7,50,00,000	1,500	7,50,00,000	1,500
Issued, subscribed and fully paid up				
Equity shares of INR 2 each	6,21,90,428	1,244	6,21,90,428	1,244
	6,21,90,428	**1,244**	**6,21,90,428**	**1,244**

a) Reconciliation of share capital (Equity)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Balance at the beginning of the year	6,21,90,428	1,244	6,21,90,428	1,244
Add : Changes in Equity Share Capital during the year	-	-	-	-
Balance at the end of the year	**6,21,90,428**	**1,244**	**6,21,90,428**	**1,244**

b) Shareholders holding more than 5% of the aggregate shares in the Parent

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	% holding	Number	% holding
Equity shares of INR 2 each				
Mr. Rajiv Mittal	97,09,406	15.6%	97,09,406	15.6%
Ms. Rekha Rakesh Jhunjhunwala	50,00,000	8.0%	50,00,000	8.0%
	1,47,09,406	**23.6%**	**1,47,09,406**	**23.6%**

c) Shares held by promoters of the Company

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	% holding	Number	% holding
Mr. Rajiv Mittal	97,09,406	15.6%	97,09,406	15.6%
Mr. S Varadarajan	21,85,762	3.5%	21,85,762	3.5%
Mr. Shiv Narayan Saraf*	-	-	16,00,354	2.6%
	1,18,95,168	**19.1%**	**1,34,95,522**	**21.7%**

* Reclassified from “Promotor and Promotor group” category to “public” category during the year.

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, 2023 and March 31, 2022.

f) Buy back of shares

There were no buy back of shares and no shares issued pursuant to contract without payment being received in cash during the last 5 years immediately preceding March 31, 2023.

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 summarized as follows:

Particulars		As at March 31, 2023	As at March 31, 2022
Borrowings		21,324	42,849
Less : Cash and bank balances		(31,398)	(43,805)
Net Debt / (Cash)	**(A)**	**(10,074)**	**(956)**
Total equity	**(B)**	**1,57,463**	**1,52,586**
Total equity and net debt	**(C=A+B)**	**1,47,389**	**1,51,630**
Gearing ratio	**(A/C)**	**(6.8%)**	**(0.6%)**

16 Borrowings

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Secured				
Term loans from banks	5,500	-	9,360	-
Current maturities of long term borrowings	-	1,500	-	6,225
Working capital demand loan	-	7,987	-	17,228
Overdraft account/Packing credit/Cash credit	-	6,337	-	10,036
Total	**5,500**	**15,824**	**9,360**	**33,489**

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 availed working capital term loan from various banks at an interest rate of 7.85% to 9.50% (March 31, 2022 : 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.

(ii) The Parent has availed working capital demand loan at an interest rate of 6.25% to 9.70% (March 31, 2022: 6.25% to 9.75%) per annum, and is repayable within 180 days from the date of availment and are secured against receivables of the Parent.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

(iii) 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.

(iv) The Parent has availed packing credit facilities in Indian rupees and US dollars at an interest rate of 7.75% to 9.08% (March 31, 2022: 7.5% to 11.0%) per annum and 2.19% to 7.08% (March 31, 2022: 2.15% to 2.65%) 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.

(v) The Parent has availed secured cash credit facilities from banks at an interest rate of 7.90% to 9.70% (March 31, 2022: 7.90% to 9.85%) per annum and are secured against receivables of the Parent.

17 Trade payables

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Dues to micro and small enterprises (Also refer note (a) below)	-	879	-	1,294
Dues to others	13,322	1,06,090	15,509	97,240
	13,322	**1,06,969**	**15,509**	**98,534**

Ageing for trade payables - billed – non current outstanding as at March 31, 2023 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	13,322	-	-	-	-	13,322
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	**13,322**	**-**	**-**	**-**	**-**	**13,322**

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**

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, 2023 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	332	436	84	25	3	880
Others	38,207	54,274	3,319	5,142	4,714	1,05,656
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	127	104	-	24	178	433
Total	**38,666**	**54,815**	**3,403**	**5,191**	**4,895**	**1,06,969**

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**

(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 415 Lakhs (March 31, 2022: INR 1,437 Lakhs) have been reversed from trade payables.

18 Other financial liabilities

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Employee related payables	112	3,285	111	2,726
Unpaid dividends	-	5	-	6
Other liabilities	-	213	-	403
	112	**3,503**	**111**	**3,135**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

19 Provisions

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Provision for warranty	-	3,982	-	5,262
Provision for liquidated damages	-	-	-	-
Provision for litigations	-	-	-	-
Provision for foreseeable losses on contracts	-	11	-	22
Provision for employee benefits				
Gratuity, anniversary, severance payments and others	869	749	837	920
Compensated absences	432	563	426	697
	1,301	**5,305**	**1,263**	**6,901**

a) Provision for warranty

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	5,262	3,220
Created/(Reversed) during the year, net	1,008	1,691
Utilised during the year	(2,422)	375
Foreign exchange fluctuation	134	(23)
Balance at the end of the year	**3,982**	**5,262**

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 Group's current status of contracts under execution and information available about expenditure estimated to be incurred based on the Group's warranty period for contracts completed.

b) Provision for liquidated damages

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	-	-
Created during the year, net	63	756
Utilised during the year	(63)	(756)
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.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

c) Provision for litigations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Balance at the beginning of the year	-	34
Created during the year, net	-	-
Utilised during the year	-	(34)
Balance at the end of the year	**-**	**-**

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, 2023	Year ended March 31, 2022
Balance at the beginning of the year	22	120
(Reversed)/Created during the year, net	(11)	(90)
Utilised during the year	-	(8)
Balance at the end of the year	**11**	**22**

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.

e) Provision for employee benefits

The following tables summarize the components of all defined benefit plans for the year ended March 31, 2023 :

For the year ended March 31, 2023	Gratuity	Anniversary	Severance payments
Change in defined benefit obligation			
Defined benefit obligation at the beginning of the year	**879**	**60**	**683**
Current Service cost	88	3	4
Past Service cost	-	-	-
Interest cost	44	1	7
Actuarial (gain)/loss	(14)	5	14
Benefits paid	(121)	-	(63)
Foreign exchange fluctuation	-	4	41
Defined benefit obligation at the end of the year	**876**	**73**	**686**
Thereof			
Unfunded	95	73	686
Funded	781	-	-

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

For the year ended March 31, 2023	Gratuity	Anniversary	Severance payments
Change in plan assets			
Fair value of plan assets at the beginning of the year	823	-	-
Expected return on plan assets	49	-	-
Actuarial gain	(26)	-	-
Employer contributions	56	-	-
Benefits paid	(121)	-	-
Fair value of plan assets at the end of the year	**781**	**-**	**-**
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	876	73	686
Fair value of plan assets at the end of the year	(781)	-	-
Liability recognised in the balance sheet	**95**	**73**	**686**
Components of expenses :			
Current service cost	88	3	4
Past service cost	-	-	-
Interest cost	44	1	7
Expected returns on plan assets	(49)	-	-
Recognised net actuarial (gain)/loss	12	5	14
Foreign exchange fluctuation	-	4	41
Net expense recognised in the statement of profit and loss	**95**	**13**	**66**

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			
Group balance fund	652	-	-
Group debt fund	128	-	-
Group short term debt fund	1	-	-
Total	**781**	**-**	**-**
Principal actuarial assumptions used:			
Discount rate	7.31%	3.48%	3.52%
Long-term rate of compensation increase	5.00%	5.00%	5.00%
Attrition rate	24.00%	-	-
Expected rate of return on plan assets	7.31%	-	-
Average remaining life (in years)	21	7	4

The Group assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Severance payments are one time settlements payable on termination of employment by the employer or on retirement to employees. These are calculated on the basis of years of service and the amount or remuneration in accordance with actuarial principles.

Claims for anniversary bonus deriving from collective wage and company agreements were calculated using same parameters as for the provision for severance payments in accordance with actuarial principles.

Based on historical data, the Group expects contributions of INR 95 Lakhs to be paid for financial year 2022-23. The weighted average duration of the defined benefit obligation as at March 31, 2023 is 3.96 years.

Employee benefits - Maturity profile

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
March 31, 2023					
Gratuity	269	181	380	208	1,038
Anniversary	-	73	-	-	73
Severance payments	-	686	-	-	686

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 summarizes the effects of changes in these actuarial assumptions on the defined benefit liability as at March 31, 2023.

Gratuity	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
March 31, 2023						
> Sensitivity level	0.5%	(0.5%)	0.5%	(0.5%)	0.5%	(0.5%)
> Impact on defined benefit obligation	0.5	(0.5)	(12)	12	12	(11)

Anniversary	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
March 31, 2023				
> 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, 2023				
> Sensitivity level	1.0%	(1.0%)	1.0%	(1.0%)
> Impact on defined benefit obligation	(49)	56	52	(47)

(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, 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	-	2
Actuarial loss/(gain)	(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)**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

For the year ended March 31, 2022	Gratuity	Anniversary	Severance payments
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			
Group balance fund	588	-	-
Group debt fund	234	-	-
Group short term debt fund	1	-	-
Total	**823**	**-**	**-**
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 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.

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 summarizes 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)

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 260 Lakhs (Year ended March 31, 2022: INR 350 Lakhs).

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Principal actuarial assumptions used :		
Discount rate	7.31%	5.99%
Long-term rate of compensation increase	5.0%	5.0%
Attrition rate	24.0%	25.0%
Average remaining life (in years)	21	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:

For the year ended March 31, 2022	India	Rest of the world	Total
March 31, 2023			
Defined benefit obligation	1,610	759	2,369
Fair value of plan assets	781	-	781
	829	**759**	**1,588**
March 31, 2022			
Defined benefit obligation	1,646	743	2,388
Fair value of plan assets	823	-	823
	823	**743**	**1,566**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

20 Other liabilities

Particulars	As at March 31, 2023		As at March 31, 2022	
	Non-current	Current	Non-current	Current
Advance from customers	700	15,549	3,660	19,348
Unbilled payables	-	62,344	-	44,384
Statutory dues	-	4,382	-	3,644
Billing in advance of work completed	-	5,274	-	2,018
Others	-	3,980	-	2,899
	700	**91,529**	**3,660**	**72,293**

21 Current tax liabilities (Net)

Particulars	As at March 31, 2023	As at March 31, 2022
Current tax liabilities net of advance taxes	810	2,323
	810	**2,323**

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, 2023			
Financial assets			
Investments	429	-	429
Trade receivables	-	2,19,395	2,19,395
Cash and bank balances	-	27,540	27,540
Other financial assets	-	17,923	17,923
	429	**2,64,858**	**2,65,287**

Particulars	Financial liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total
As at March 31, 2023			
Financial liabilities			
Trade payables	-	1,20,291	1,20,291
Borrowings	-	21,324	21,324
Lease liabilities	-	584	584
Other financial liabilities	-	3,615	3,615
	-	**1,45,814**	**1,45,814**

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	-	2,07,112	2,07,112
Cash and bank balances	-	42,859	42,859
Other financial assets	-	9,045	9,045
	414	**2,59,016**	**2,59,430**

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	-	1,14,043	1,14,043
Borrowings	-	42,849	42,849
Lease liabilities	-	743	743
Other financial liabilities	-	3,246	3,246
	-	**1,60,881**	**1,60,881**

The carrying value of financial asset and financial liabilities approximates the fair value of financial asset and financial liabilities as at March 31, 2023 and March 31, 2022. Also refer note 39- fair value measurement.

23 Revenue from operations

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services	2,94,627	2,94,629
Other operating revenues, net (Also refer note 17(b))*	1,421	3,301
	2,96,048	**2,97,930**

* Other operating revenue includes income from scrip sales and duty drawback of INR 246 Lakhs (March 31, 2022 : INR 1,051 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 Project

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Construction contracts	2,55,507	2,54,569
Operation and maintenance contracts	39,120	40,060
	2,94,627	**2,94,629**

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

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Industrial	93,030	72,510
Municipal	2,01,597	2,22,119
	2,94,627	**2,94,629**

c) Based on Timing of revenue recognition

Revenues from construction contracts and operation & 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, 2023 amount to INR 1,205,540 Lakhs (March 31, 2022: INR 897,630 Lakhs).

Construction contracts are progressively executed over a period of upto 3.5 years and based on specific project schedules. Operation and maintenance contracts are expected to be executed over a period of 1 to 20 years, primarily invoiced on a monthly basis.

C Reconciliation of sales of services with contract price

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening contract price of orders as at April 01*	**8,97,630**	**8,44,150**
Total orders received during the year	6,84,410	3,64,759
Total revenue recognised during the year	(2,94,627)	(2,94,629)
Effects of foreign exchange movements & order variations	(81,873)	(16,650)
Closing contract price of orders as at March 31*	**12,05,540**	**8,97,630**

*Excludes framework contracts amounting to INR 116,380 Lakhs (March 31, 2022 : INR 113,065 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.

24 Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income from deposits with banks and others	1,035	639
Foreign exchange gain	3,692	1,139
Gain on sale/liquidation of investment in subsidiary/joint venture	500	655
Gain on sale of property, plant and equipment, net	23	111
Dividend income	111	696
	5,360	**3,239**

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, 2023	Year ended March 31, 2022
Material costs	1,26,035	1,12,496
Civil costs	48,080	56,783
Erection and commissioning costs	10,583	15,263
Taxes and duties	2,077	3,243
Site establishment costs	11,507	12,247
Engineering costs	3,924	3,982
Project consultancy fee	839	430
Warranty expenses (Also refer note 19(a))	1,006	1,691
Foreseeable losses on contracts (Also refer note 19(d))	(11)	(90)
Project travel	1,946	1,446
Insurance costs	786	856
Power and fuel	588	312
Liquidated damages (Also refer note 19(b))	63	756
Other operation and maintenance expenses, net	5,384	8,139
Other project expenses, net	14,987	13,275
	2,27,794	**2,30,829**

26 Changes in inventories

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Inventories at the beginning of the year		
Contract inventories	992	863
Stores and spares	2,203	2,114
	3,195	**2,977**
Less: Inventories at the end of the year		
Contract inventories	2,753	992
Stores and spares	1,360	2,203
	4,113	**3,195**
Net exchange differences	78	(41)
	(840)	**(259)**

27 Employee benefits expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	23,640	22,069
Contribution to defined benefit plans (Also refer note 19(e))	698	875
Contribution to provident and other defined contribution funds	713	813
Staff welfare expenses	1,500	1,309
	26,551	**25,066**

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, 2023	Year ended March 31, 2022
Interest expenses for borrowings at amortised cost	2,847	3,597
Interest expenses on lease liabilities	24	30
Bank charges	3,709	5,143
	6,580	**8,770**

29 Depreciation and amortisation expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Depreciation of property, plant and equipment (Also refer note 5)	841	932
Amortisation of intangible assets (Also refer note 5)	40	81
	881	**1,013**

30 a) Other expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rent (Also refer note 34)	1,021	1,054
Insurance	193	298
Power and fuel	338	296
Rates and taxes	111	244
Repairs and maintenance	1,054	887
Professional charges (Also refer note 35)	2,345	2,142
Communication expenses	204	152
Travelling and conveyance	690	351
Bad and doubtful debts, net	3,412	11,579
Advertisement	142	75
Research and development expenses	346	337
Corporate social responsibility expenses (Also refer note 36)	115	162
Miscellaneous expenses	790	1,018
	10,761	**18,595**
b) Exceptional items (Also refer note 50)	28,923	-

(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, 2023 and March 31, 2022 are:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Current tax :		
Income tax expense	1,461	4,372
Deferred tax :		
Relating to allowances for credit losses	(385)	(414)
Relating to origination and reversal of temporary differences	(486)	(325)
Tax expense reported in the statement of profit and loss	**590**	**3,633**
Deferred tax related to net (gain)/loss on remeasurements of defined benefit plans recognised in other comprehensive income	-	9
Tax expense reported in other comprehensive income	**-**	**9**

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, 2022 : 25.17%) and the reported tax expense in the statement of profit and loss are as follows:

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Profit before taxes	1,683	16,839
Enacted tax rates in India	25.17%	25.17%
Tax on profit at enacted tax rate	424	4,238
Difference between Indian and foreign tax rates and net results of subsidiaries	728	(205)
Dividend Income taxed at lower rate	(49)	(49)
Tax effect on non deductible expenses	(26)	(26)
Deferred tax charges	(486)	(325)
Income tax expense	**590**	**3,633**
Current tax	1,461	4,372
Deferred tax	(871)	(739)
Income tax expense reported in the statement of profit and loss	**590**	**3,633**

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, 2023	Year ended March 31, 2022
For profit for the year		
Nominal value of equity shares (in INR)	2	2
Profit after exceptional items attributable to owners of the parent (A)	1,285	13,191
Profit before exceptional items attributable to owners of the parent (B)	22,929	13,191
Weighted average number of equity shares outstanding during the year (C)	6,21,90,428	6,21,90,428
Basic & Diluted earnings per equity share (A/C) (in INR)	**2.07**	**21.21**
Basic & Diluted earnings per equity share before exceptional item (B/C) (in INR)	**36.87**	**21.21**
For total comprehensive income		
Nominal value of equity shares (in INR)	2	2
Total comprehensive income after exceptional items attributable to owners of the parent (a)	3,585	12,935
Total comprehensive income before exceptional items attributable to owners of the parent (b)	25,229	12,935
Weighted average number of equity shares outstanding during the year (c)	6,21,90,428	6,21,90,428
Basic & Diluted earnings per equity share (a/c) (in INR)	**5.76**	**20.80**
Basic & Diluted earnings per equity share before exceptional item (b/c) (in INR)	**40.57**	**20.80**

33 Contract balances

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Movement in contract assets		
Opening balance	**74,694**	**1,06,985**
Changes in the measure of progress, claims and other adjustments, net	43,948	22,459
Transfers to trade receivables, net	(39,574)	(54,750)
Closing balance	**79,068**	**74,694**
Movement in contract liabilities		
Opening balance	**25,026**	**42,616**
Billing-in-advance for work completed	4,006	1,654
Advances received during the year	3,508	3,791
Revenues recognised during the period	(749)	(4,166)
Advances offset against billing, net	(10,268)	(18,869)
Closing balance	**21,523**	**25,026**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

34 Leases

Leases include several office buildings and vehicles.

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
(A) Expenses related to leases recognised in Statement of Profit and Loss:		
Interest expense on lease liabilities	24	30
Expenses relating to short term leases (Also refer note 30)	1,021	1,054
Depreciation expenses of right to use assets	257	256
(B) Payments related to leases recognised in Statement of Cash Flows:		
Recognition of lease liabilities	(159)	(150)
Interest paid on lease liabilities (Also refer note 28)	24	30

(C) Total right to use assets recognised for the year ended March 31, 2023 :

Right to use assets class wise	Property, plant and equipment		
	Buildings	Vehicles	Total
Gross carrying value			
Balance as at March 31, 2022	454	1,273	**1,727**
Additions	-	176	**176**
Disposals	-	293	**293**
Effects of foreign currency translation	21	58	**79**
Balance as at March 31, 2023	**475**	**1,214**	**1,689**
Accumulated depreciation/amortisation			
Balance as at March 31, 2022	250	620	**870**
Depreciation/amortisation expense for the year	36	221	**257**
Reversal on disposal of assets	-	167	**167**
Effects of foreign currency translation	(2)	32	**30**
Balance as at March 31, 2023	**284**	**706**	**990**
Net carrying value			
Balance as at March 31, 2022	204	653	857
Balance as at March 31, 2023	191	508	699

(D) Maturity analysis of lease liabilities as at March 31, 2023 :

	As at March 31, 2023	As at March 31, 2022
Current lease liabilities liquidity analysis		
Within 6 months	220	240
Within 6-12 months	42	19
Non-Current lease liabilities liquidity analysis		
Within 1 to 5 years	314	472
Later than 5 years	8	12

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 of the Parent (included as part of professional charges) *

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
As auditor		
Audit fees	51	51
Taxation matters	4	4
Other services	8	10
Reimbursement of expenses	4	2
	67	**67**

* excluding taxes and amounts paid to component auditors

36 Expenditure on Corporate Social Responsibility (CSR)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
a) Amount required to be spent by the Company during the year	115	162
b) Amount of expenditure incurred*	115	162
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	-	-

* Previous year includes amount transferred to separate bank account towards ongoing CSR projects amounting to INR 137 Lakhs.

Water Conservation and Environmental Sustainability and Skill Development activities.

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	- Construction period of 2 years including 3 months of trial run and O&M period of 15 years

Subsidiary	DK Sewage Project Private Limited	Ghaziabad Water Solutions Private Limited (Formerly known as Digha STP Projects Private Limited)
	- 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 maintain contractual performance parameters - The arrangement provides for bonus/ penalty linked to early / delayed achievement of the COD of the project	- 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
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	INR 5,405 Lakhs (excluding taxes)	INR 11,138 Lakhs (excluding taxes)

Kopri Bio Engineering Private Limited, subsidiary of the Parent has entered into a concession agreement dated February 03, 2023 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. The Project is yet to reach fiancial closure.

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
	Mr. S Varadarajan - Whole time Director & Chief Growth Officer
	Mr. Malay Mukherjee - Independent Director (Ceased to be a director w.e.f January 29, 2022)
	Mr. Milin Mehta - Independent Director
	Ms. Vijaya Sampath - Independent Director
	Mr. Ranjit Singh - Additional Director
	Mr. Amit Goela - Non Executive Non-Independent Director (Appointed w.e.f July 19, 2021)
	Mr. Pankaj Malhan - Deputy Managing Director and Group Chief Executive Officer (Appointed w.e.f December 07, 2022)
	Mr. Skandaprasad Seetharaman - Chief Financial Officer (Appointed w.e.f June 08, 2021)
	Mr. Arulmozhi - CFO, India Cluster (Appointed w.e.f June 01, 2021)
	Mr. Shailesh Kumar - CEO India Cluster (Appointed as KMP w.e.f May 27, 2022)
	Mr. Sandeep Agrawal - Chief Financial Officer (Resigned w.e.f June 07, 2021)
	Mr. Pankaj Sachdeva - CEO, India Cluster (Resigned as KMP w.e.f September 30, 2022)
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	Year ended March 31, 2023	Year ended March 31, 2022
	Associates	Associates
Sales of goods and services	18,633	5,964
Others operating income	135	736

c) Balances with related parties

Particulars	As at March 31, 2023		As at March 31, 2022s	
	Associates	KMP and other related party	Associates	KMP and other related party
Advances/amount recoverable	4,041	-	181	-
Creditors/Payables	85	100	77	84

All transactions with these related parties are priced on an arm's length basis. None of the balances are secured.

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

d) Remuneration to Key Management Personnel and Other Related Party :

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries including bonus	1,066	715
Post employment and termination benefits	82	61
Commission	60	71

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 investments, and other financial assets such as employee advances, deposit 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 Group's assumptions about current market conditions. The fair value hierarchy also requires the Group to maximise the use of observable inputs and minimise 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, 2023 and March 31, 2022 :

Quantitative disclosures for fair value measurement hierarchy for assets as at March 31,:

i) Assets measured at fair value:

Particulars	Fair value measurement using				
	Date of valuation	Carrying value	Level 1	Level 2	Level 3
Fair value through statement of profit and loss					
Investments					
2023	March 31, 2023	429	-	-	429
2022	March 31, 2022	414	-	-	414

ii) Liabilities measured at amortised 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, 2023 of INR 15,345 Lakhs (March 31, 2022 INR 29,842 Lakhs) and of INR 5,979 Lakhs (March 31, 2022 INR 13,007 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 are created directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks. The Group's 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 of the Parent 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, 2023 (March 31, 2022 : +/- 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, 2023 and March 31, 2022. All other variables are held constant.

Particulars		As at March 31, 2023	As at March 31, 2022
Profit before tax			
Increase	+1%	60	130
Decrease	-1%	(60)	(130)
Equity before tax			
Increase	+1%	60	130
Decrease	-1%	(60)	(130)

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 paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

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:-

Particulars	Foreign currency exposure (in INR Lakhs)	
	USD	EUR
March 31, 2023		
Financial assets	67,527	2,702
Financial liabilities	18,231	7,588
March 31, 2022		
Financial assets	58,271	153
Financial liabilities	13,245	8,063

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, 2023 (March 31, 2022 : +/- 1%).

If the INR had strengthened against the USD by 1% during the year ended March 31, 2023 (March 31, 2022: 1%) and EUR by 1% during the year ended March 31, 2023 (March 31, 2022: 1%) respectively, then it would have had the following impact on profit before tax and equity before tax :

Particulars		As at March 31, 2023	As at March 31, 2022
Profit before tax			
USD	**+1%**	493	450
EUR	**+1%**	(49)	(79)
		444	**371**
Equity before tax			
USD	**+1%**	493	450
EUR	**+1%**	(49)	(79)
		444	**371**

If the INR had weakened against the USD by 1% during the year ended March 31, 2023 (March 31, 2022: 1%) and EUR by 1% during the year ended March 31, 2023 (March 31, 2022: 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, deposits with bank, 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:

Classes of financial assests	As at March 31, 2023	As at March 31, 2022
Trade receivables	2,19,395	2,07,112
Cash and cash equivalents	18,058	32,101
Bank balances other than those mentioned in cash and cash equivalents	9,482	10,758
Other financial assets	17,923	9,045

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 50. 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, 2023, the Group had 15 (March 31, 2022: 15) customers that owed the Group more than INR 5,000 Lakhs each and accounted for approximately 67% (March 31, 2022: 72%) of all the receivables outstanding. As at March 31, 2023, the Group has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. (Also refer note 7)

The credit risk for Cash and cash equivalents, balance with bank 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 Group for credit risk on a continuous basis. The credit risk on these balances are estimated to be low as on March 31, 2023.

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 retention and long term trade receivables which are governed by the relevant contract conditions.

(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 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, 2023 and March 31, 2022.

As at March 31, 2023

Particulars	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Borrowings	15,556	993	6,035	-
Trade payables	96,778	10,190	13,322	-
Lease liabilities	220	42	314	8
Other financial liabilities	3,433	70	112	-
	1,15,987	**11,295**	**19,783**	**8**

As at March 31, 2022

Particulars	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Borrowings	32,905	1,402	10,489	-
Trade payables	90,809	7,725	15,509	-
Lease liabilities	240	19	472	12
Other financial liabilities	3,068	67	111	-
	1,27,022	**9,213**	**26,582**	**12**

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, 2023				
Revenue				
External sales	1,66,423	1,48,075	-	3,14,498
Other operating revenue	-	-	4,318	4,318
Inter-segment sales *	-	(22,768)	-	(22,768)
Total revenue	**1,66,423**	**1,25,307**	**4,318**	**2,96,048**
Results				
Segment result	33,095	34,756	-	67,851
Share of profit of associates, net	-	925	-	925
Unallocated corporate expenses	-	-	(38,190)	(38,190)
Operating profit	**33,095**	**35,681**	**(38,190)**	**30,586**
Interest and finance charges, net	-	-	(4,912)	(4,912)
Other income	-	-	4,932	4,932
Profit before tax	**33,095**	**35,681**	**(38,170)**	**30,606**

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
Exceptional items	-	-	(28,923)	(28,923)
Income taxes	-	-	(590)	(590)
Profit after tax	**33,095**	**35,681**	**(67,683)**	**1,093**
Non-controlling interests	-	-	192	192
Profit for the year attributable to owners of the Parent	**33,095**	**35,681**	**(67,491)**	**1,285**

Particulars	India	Rest of world	Unallocated	Total
As at March 31, 2023				
Other information				
Segment assets	1,63,758	2,07,973	-	3,71,731
Unallocated corporate assets	-	-	37,189	37,189
Total assets	**1,63,758**	**2,07,973**	**37,189**	**4,08,920**
Segment liabilities	1,03,040	1,20,008	-	2,23,048
Unallocated corporate liabilities	-	-	28,409	28,409
Total liabilities	**1,03,040**	**1,20,008**	**28,409**	**2,51,457**
For the year ended March 31, 2023				
Capital expenditure	-	-	518	518
Depreciation and amortisation	-	-	881	881
Other non cash expenditure, net	-	-	3,464	3,464

** Net of intra-segment eliminations of sales within India*

Particulars	India	Rest of world	Unallocated	Total
For the year ended March 31, 2022				
Revenue				
External sales	1,11,662	1,96,460	-	3,08,122
Other operating revenue	-	-	5,985	5,985
Inter-segment sales	-	(16,177)	-	(16,177)
Total revenue	**1,11,662**	**1,80,283**	**5,985**	**2,97,930**
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**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

Particulars	India	Rest of world	Unallocated	Total
As at March 31, 2022				
Other information				
Segment assets	1,67,029	1,90,836	-	3,57,865
Unallocated corporate assets	-	-	42,369	42,369
Total assets	**1,67,029**	**1,90,836**	**42,369**	**4,00,234**
Segment liabilities	77,545	1,22,599	-	2,00,144
Unallocated corporate liabilities	-	-	47,504	47,504
Total liabilities	**77,545**	**1,22,599**	**47,504**	**2,47,648**
For the year ended March 31, 2022				
Capital expenditure	-	-	552	552
Depreciation and amortisation	-	-	1,013	1,013
Other non cash expenditure, net	-	-	11,393	11,393

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, 2023	80.1%	1,26,155	11.6%	127	100.3%	2,193	70.7%	2,320
March 31, 2022	82.6%	1,26,037	69.8%	9,218	97.1%	(270)	69.2%	8,948
Foreign subsidiaries								
VA Tech Wabag (Philippines) Inc								
March 31, 2023	1.5%	2,298	(7.2%)	(79)	0.4%	8	(2.2%)	(71)
March 31, 2022	1.5%	2,293	(1.4%)	(182)	-	-	(1.4%)	(182)
VA Tech Wabag Muscat LLC								
March 31, 2023	0.2%	277	2.9%	31	-	-	1.0%	31
March 31, 2022	0.1%	179	0.8%	107	-	-	0.8%	107
Wabag Muhibbah JV SDN. BHD.								
March 31, 2023	(0.1%)	(108)	(51.1%)	(559)	-	-	(17.0%)	(559)
March 31, 2022	(0.3%)	(414)	(0.3%)	(42)	-	-	(0.3%)	(42)

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
Wabag Belhasa JV WLL								
March 31, 2023	0.1%	202	(166.6%)	(1,821)	-	-	(55.5%)	(1,821)
March 31, 2022	1.2%	1,901	0.2%	33	-	-	0.3%	33
VA Tech Wabag And Roots Contracting LLC- Project-I								
March 31, 2023	0.1%	85	3.0%	33	-	-	1.0%	33
March 31, 2022	0.0%	23	(0.0%)	(0)	-	-	(0.0%)	(0)
Wabag Operation And Maintenance WLL								
March 31, 2023	-	-	-	-	-	-	-	-
March 31, 2022	0.0%	-	0.0%	-	-	-	0.0%	-
Wabag Limited								
March 31, 2023	(0.0%)	(30)	20.9%	229	-	-	7.0%	229
March 31, 2022	(0.2%)	(254)	(0.2%)	(25)	-	-	(0.2%)	(25)
VA Tech Wabag (Singapore) Pte Limited								
March 31, 2023	3.6%	5,693	27.0%	295	-	-	9.0%	295
March 31, 2022	3.3%	5,012	4.7%	618	-	-	4.8%	618
Ganga STP Project Private Limited								
March 31, 2023	0.0%	-	0.0%	-	-	-	0.0%	-
March 31, 2022	0.0%	-	1.5%	198	-	-	1.5%	198
DK Sewage Project Private Limited								
March 31, 2023	0.4%	590	0.21%	231	-	-	0.07%	231
March 31, 2022	0.0%	1	-	-	-	-	-	-
Ghaziabad Water Solutions Private Limited								
March 31, 2023	0.1%	155	(1.5%)	(16)	-	-	(0.5%)	(16)
March 31, 2022	0.0%	1	0.0%	1	-	-	0.0%	1

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
Kopri Bio Engineering Private Limited								
March 31, 2023	(0.0%)	(28)	(1.1%)	(12)	-	-	(0.4%)	(12)
March 31, 2022	(0.0%)	(16)	(0.1%)	(11)	-	-	(0.1%)	(11)
Va Tech Wabag Limited Pratibha Industries Limited JV								
March 31, 2023	0.2%	362	0.1%	1	-	-	0.0%	1
March 31, 2022	0.2%	359	(0.1%)	(10)	-	-	(0.1%)	(10)
VA Tech Wabag Gmbh								
March 31, 2023	16.4%	25,755	157.0%	1,716	(0.7%)	(15)	51.9%	1,700
March 31, 2022	14.7%	22,500	15.6%	2,066	(5.0%)	14	16.1%	2,080
Wabag Wassertechnik Ag								
March 31, 2023	1.5%	2,405	29.4%	321	-	-	9.8%	321
March 31, 2022	1.2%	1,879	2.8%	371	-	-	2.9%	371
VA Tech Wabag Brno Spol. S.R.O								
March 31, 2023	0.0%	-	(33.9%)	(371)	-	-	(11.3%)	(371)
March 31, 2022	0.5%	725	(1.2%)	(156)	-	-	(1.2%)	(156)
Wabag Water Services S.R.L.								
March 31, 2023	5.0%	7,826	(49.9%)	(545)	-	-	(16.6%)	(545)
March 31, 2022	5.2%	7,906	14.5%	1,915	-	-	14.8%	1,915
VA Tech Wabag Su Teknolojisi Ve Tic. A.S								
March 31, 2023	(1.3%)	(2,119)	5.9%	64	-	-	2.0%	64
March 31, 2022	(1.3%)	(2,056)	0.6%	81	-	-	0.6%	81
VA Tech Wabag Tunisie S.A.R.L								
March 31, 2023	0.7%	1,169	18.7%	205	-	-	6.2%	205
March 31, 2022	0.6%	916	0.7%	96	-	-	0.7%	96
VA Tech Wabag Deutschland Gmbh								
March 31, 2023	-	-	-	-	-	-	-	-
March 31, 2022	0.0%	-	0.0%	-	-	-	0.0%	-

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
Non-controlling interest in all subsidiaries								
March 31, 2023	(0.0%)	(26)	(17.6%)	(192)	0.0%	-	(5.9%)	(192)
March 31, 2022	(0.9%)	(1,326)	0.1%	15	7.9%	(22)	(0.1%)	(7)
Foreign associates (investments as per equity method)								
VA Tech Wabag And Roots Contracting LLC- Project-II and Project-III								
March 31, 2023	0.7%	1,094	(0.3%)	(3)	-	-	(0.1%)	(3)
March 31, 2022	0.7%	1,097	(4.0%)	(533)	-	-	(4.1%)	(533)
Windhoek Goreangab Operating Company (Pty) Limited								
March 31, 2023	0.2%	376	10.1%	110	-	-	3.4%	110
March 31, 2022	0.3%	386	1.5%	204	-	-	1.6%	204
Ganga STP Project Private Limited								
March 31, 2023	1.7%	2,677	74.8%	818	-	-	24.9%	818
March 31, 2022	1.2%	1,860	0.3%	33	-	-	0.3%	33
Foreign joint venture (investments as per equity method)								
International Water Treatment L.L.C								
March 31, 2023	-	-	0.0%	-	-	-	0.0%	-
March 31, 2022	0.0%	-	(0.2%)	(20)	-	-	(0.2%)	(20)
Intercompany eliminations and other adjustments								
March 31, 2023	(11.0%)	(17,347)	46.7%	510	-	-	15.6%	510
March 31, 2022	(10.8%)	(16,422)	(5.8%)	(772)	-	-	(6.0%)	(772)
Total								
March 31, 2023	**100.0%**	**1,57,463**	**100.0%**	**1,093**	**100.0%**	**2,186**	**100.0%**	**3,279**
March 31, 2022	**100.0%**	**1,52,586**	**100.0%**	**13,204**	**100.0%**	**(278)**	**100.0%**	**12,926**

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

43 Authorisation of financial statements

The consolidated financial statements for the year ended March 31, 2023 (including comparatives) is approved by the Board of Directors on May 19, 2023.

44 Interest in other entities

Summarized 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, 2023	As at March 31, 2022
Aggregate carrying amount of associates	4,147	3,343

	Year ended March 31, 2023	Year ended March 31, 2022
Aggregate amount of the associates share of :		
Profit for the year	925	(296)
Other comprehensive income	-	-
Total comprehensive income	**925**	**(296)**

(b) Investments in joint venture

	As at March 31, 2023	As at March 31, 2022
Aggregate carrying amount of joint venture	-	-

	Year ended March 31, 2023	Year ended March 31, 2022
Aggregate amounts of the group's share of:		
(Loss) for the year	-	(20)
Other comprehensive income	-	-
Total comprehensive income	**-**	**(20)**
Share of (losses)/profits from associates	**925**	**(296)**
Share of (losses) from joint venture	**-**	**(20)**

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

45 Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (March 31, 2023) and the date of authorisation, 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, 2023	As at March 31, 2022
Income tax demand including interest contested in appeal for various assessment years	537	413
Indirect tax matters under dispute including interest contested in appeal for various years	6,479	6,837

b) Capital commitments

The estimated amounts of contracts to be executed on capital account and not provided for (net of advances) Nil (March 31, 2022: Nil).

c) Guarantees excluding financial guarantees: INR Nil (March 31, 2022: INR Nil)

47 Analytical ratios

Particulars	March 31, 2023	March 31, 2022	Change	Numerator	Denominator
a) Current Ratio	1.33	1.37	(2.3%)	Current assets	Current Liabilities
b) Debt-Equity Ratio*	0.14	0.28	(51.8%)	Total Debt (Long & Short term)	Shareholder's Equity
c) Debt Service Coverage Ratio$	0.98	1.68	(41.9%)	Earnings available for debt service	Debt Service
Before Exceptional Items	5.35	1.68			
d) Return on Equity Ratio (ROE)#	0.7%	9.0%	(92.2%)	Net Profits after taxes	Average Shareholder's Equity
Before Exceptional Items	14.7%	9.0%			
e) Inventory turnover Ratio	6.72	7.96	(15.6%)	Cost of goods sold or sales	Average Inventory
f) Trade Receivables turnover Ratio	1.38	1.48	(7.0%)	Net Credit Sales	Average Accounts Receivable
g) Trade payables turnover Ratio	1.94	1.96	(1.0%)	Net Credit Purchases	Average Trade Payables
h) Net capital turnover Ratio	3.82	3.71	3.1%	Net Sales	Working Capital
i) Net profit Ratio#	0.4%	4.5%	(91.7%)	Net Profit	Net Sales
Before Exceptional Items	7.7%	4.5%			
j) Return on Capital employed (ROCE)#	2.9%	13.4%	(78.4%)	Earning before interest and taxes	Capital Employed
Before Exceptional Items	21.3%	13.4%			

* Due to considerable reduction in debt in current year as compared to previous year.

Due to exceptional items in the current year.

$ Due to exceptional items and reduction in repayment of terms loan in current year.

All investments are non current in nature and invested in group companies as equity instruments. Hence return on investment ratio is not computed.

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

48 Disclosure pursuant to Ind AS 105 "Non-current assets held for sale and discontinued operations"

a) Wabag Wassertechnik AG, Switzerland, a step down subsidiary of the Parent has been sold on April 12, 2023 by transfer of shares and carrying value of all the assets and liablities of the step down subsidiary as at March 31, 2023 are classified as "Held for Sale" in accordance with Indian Accounting Standard (Ind AS) 105 'Non-current assets held for sale and discontinued operations'.

b) Major classes of assets and liabilities classified as held for sale:

Particulars	As at March 31, 2023	As at March 31, 2022
Assets classified as held for sale		
Property, plant and equipment	80	-
Intangible assets	4	-
Investments	2	-
Other non-current financial assets	34	-
Income tax assets (net)	19	-
Inventories	89	-
Trade receivables	1,936	-
Cash and cash equivalents	2,602	-
Other current financial assets	168	-
Other current assets	3,365	-
Total	**8,299**	**-**
Liabilities associated with the assets classified as held for sale		
Deferred tax liabilities (net)	76	-
Trade payables	947	-
Other financial liabilities	155	-
Other current liabilities	4,168	-
Provisions	547	-
Total	**5,893**	**-**

c) The above assets and liabilities classified as held for sale are reported under "Rest of the world" segment in accordance with Indian Accounting Standard (Ind AS) 108 "Operating Segments" (Also refer note 41).

Summary of significant accounting policies and other explanatory information (Contd.)

(All amounts are in lakhs of Indian Rupees, unless otherwise stated)

49 Additional disclosures under Schedule III Division II of the Companies Act

With respect to entities incorporated in India (referred to as "Indian Entities") and consolidated in the financial statements:

a) No proceedings have been initiated on or are pending against the Indian Entities for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder, as at the end of the year.

b) The Indian Entities 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 Indian Entities, the Indian Entities has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 (March 31, 2022: Nil)

d) There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period as at the end of the year

e) Indian Entities has not traded or invested in Crypto currency or Virtual Currency during the financial year ended March 31, 2023 (March 31, 2022: Nil).

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 Indian Entities 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 Indian Entities (Ultimate Beneficiaries). The Indian Entities has not received any fund from any party(s) (Funding Party) with the understanding that the Indian Entities shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Indian Entities ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (March 31, 2022: Nil).

50 a) Pursuant to the inordinate delays in recovery of the receivables from Tecpro due to the prolonged legal proceedings at the National Company Law Tribunal ('NCLT') and from Andhrapradesh Power Generation Corporation Limited (APGENCO) due to project completion delays not attributable to the Parent, the receivables and other current assets pertaining to these projects to the tune of INR 28,923 Lakhs have been written off and reported under Exceptional Items in the Statement of Profit and Loss in the current financial year. The Parent will continue its efforts to pursue the recovery of these balances.

b) The Parent has completed the project for Telangana State Generation Corporation Limited (TSGENCO) and is in the process of recovering the receivables and retention of INR 11,078 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.

Notes 1 to 50 form an integral part of these consolidated financial statements

In terms of our report of even date attached

For **Sharp & Tannan**
Chartered Accountants
Firm's Registration No.: 003792S

V Viswanathan
Partner
(Membership No.: 215565)

Place : Chennai
Date : May 19, 2023

For and on behalf of the Board of Directors of **VA TECH WABAG LIMITED**

Milin Mehta
Director
(DIN: 01297508)

Rajiv Mittal
Chairman & Managing Director
(DIN: 01299110)

Skandaprasad Seetharaman
Chief Financial Officer

Anup Kumar Samal
Company Secretary
(Membership No: F4832)

Place : Chennai
Date : May 19, 2023

NOTES


WABAG
விஏ டெக் வபாக் லிட்.
வபாக் ஹவுஸ்
VA TECH WABAG LTD.

WABAG

sustainable solutions. for a better life.

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