

## Independent Auditor's Report

To  
The Members of  
**Dewas Waterprojects Works Private Limited**  
(Formerly known as Anjar Water Solutions Private Limited)

### Report on the audit of financial statements

#### 1. Opinion

We have audited the accompanying financial statements of **Dewas Waterprojects Works Private Limited (Formerly known as Anjar Water Solutions Private Limited)** ('the Company'), which comprise the balance sheet as at 31 March 2023, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, of the state of affairs of the Company as at 31 March 2023, and its loss including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### 2. Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 3. Other information

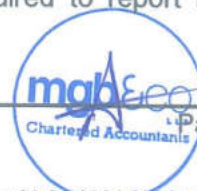
The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report along with annexures, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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.

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Independent Auditor's Report on Financial Statements of  
**Dewas Waterprojects Works Private Limited - 31 March 2023**



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#### 4. Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

#### 5. Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## 6. Report on Other Legal and Regulatory Requirements

- A. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.
- B. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The balance sheet, the statement of profit and loss including other comprehensive income, the statement of changes in equity and the statement of cash flow dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any managerial remuneration during the year.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company does not have any pending litigations which would impact its financial position;
  - ii. The Company did not have any long-term contracts including derivative contracts having any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2023.
  - iv.
    - a. The Management has represented that, to the best of its knowledge and belief, as disclosed in note 42(x)(a) to the financial statements, 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, as disclosed in note 42(x)(b) to the financial statements, 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 procedure that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that representations under sub clause (i) and (ii) of the Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend has been declared or paid by the Company during the financial year covered by our audit.
- vi. Proviso to Rule 3(1) of the Companies (Accounts) Rule, 2014 for maintaining the 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 the Company (Audit and Auditors) Rules, 2014 is not applicable for the period ended 31 March 2023.

**For MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169W/W-100035

*Amit Kothari*



**Amit Kumar Kothari**

Partner

Membership Number 222726

Mumbai, 8 May 2023

UDIN: 23222726BGWLR13569

**Annexure - A to the Independent Auditor's Report**

**Annexure referred to in paragraph 6 (A) under "Report on Other Legal and Regulatory Requirements" of our Report of even date to the members of the Company on the financial statements for the year ended 31 March 2023**

- i. (a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- B) The Company has maintained proper records showing full particulars of Intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all the property, plant and equipment have been physically verified by the management during the year, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. As informed to us, no discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have any immovable property under property, plant and equipment.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued any of its property, plant and equipment (including Right-of-use assets) and intangible assets during the year and hence clause 3(i)(d) of the Order is not applicable.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company as at 31 March 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were 10% or more in the aggregate for each class of inventory.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, at any points of time during the year, from banks and financial institutions, on the basis of security of current assets and hence reporting under clause 3(ii)(b) of the order is not applicable.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year and hence reporting under clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable.



- iv. In our opinion and according to the information and explanations given to us, the Company has Complied with the provisions of Section 185 and 186, to the extent applicable, in respect of loan, investment, guarantee and security.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder. Hence, reporting under clause 3(v) of the Order is not applicable.
- vi. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under Section 148(1) of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have however not made a detailed examination of such records with a view to determine whether they are accurate or complete.
- vii. According to the records of the Company, examined by us and information and explanations given to us:
  - a) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and services tax, cess and other material statutory dues as applicable have generally been regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of aforesaid dues outstanding as at 31 March 2023 for a period of more than six months from the date they became payable.
  - b) There are no statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2023 on account of any dispute.
- viii. According to the records of the Company examined by us, and information and explanations given to us, there were no transactions related to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- 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 repayment of loans or other borrowings or in the payment of interest thereon to any lender.
  - (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
  - (c) According to the records of the Company examined by us and the information and explanations given to us, the Company has not obtained term loan during the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
  - (d) According to the information and explanations given to us, and on an overall examination of the financial statements of the Company, we report that funds raised on short-term basis have not been utilized for long-term purposes considering the financial support/commitment received from Holding Company.
  - (e) The Company does not have any subsidiary or joint venture or associate and hence reporting under clause 3(ix)(e) of the Order is not applicable.



- (f) The Company does not have any subsidiary or joint venture or associate and hence reporting under clause 3(ix)(f) of the Order is not applicable.
- x. (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the records of the Company examined by us, and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there were no whistle-blower complaints received by the Company during the year.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Companies Act 2013 and hence reporting under clause 3(xiv)(a) and 3(xiv)(b) of the Order are not applicable.
- xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a) According to the information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a) of the Order is not applicable.
- (b) According to the information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(b) of the Order is not applicable.



- (c) According to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable.
- (d) As represented by Management, the Company has three Core Investment Companies (CIC) within the group of the Company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) which are exempt from registration with Reserve Bank of India. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and hence reporting under clause 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, 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 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. According to the information and explanations given to us and as represented by the management, the Company is not required to spend towards Corporate Social responsibility (CSR) and hence clause 3(xx) of the Order is not applicable.

**For MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169WW-100035


**Amit Kumar Kothari**

Partner

Membership Number 222726

Mumbai, 8 May 2023

UDIN: 23222726BGWLR13569

## Annexure - B to the Independent Auditor's Report

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 6(B)(f) under "Report on Other Legal and Regulatory requirements" of our Report of even date to the members of the Company on the financial statements for the year ended 31 March 2023**

We have audited the internal financial controls over financial reporting of **Dewas Waterproject Works Private Limited (Formerly known as Anjar Water Solutions Private Limited)** ("the Company") as at 31 March 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### **Management's responsibility for internal financial controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### **Auditor's responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on "Audit of Internal Financial Controls over Financial Reporting" (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### **Meaning of internal financial controls over financial reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent limitations of internal financial controls over financial reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note by the Institute of Chartered Accountants of India.

### **For MGB & Co LLP**

Chartered Accountants

Firm Registration Number 101169WW-100035

*Amit Kothari*

**Amit Kumar Kothari**

Partner

Membership Number 222726

Mumbai, 8 May 2023

UDIN: 23222726BGWLRI3569



Balance Sheet as at 31 March 2023

|  | Notes | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|-------|------------------------|------------------------|
| (₹ in lakhs)   |       |                        |                        |
| <b>ASSETS</b>  |       |                        |                        |
| <b>1. Non-current assets</b>   |       |                        |                        |
| (a) Property, plant and equipment  | 4     | 0                      | 0                      |
| (b) Intangible assets  | 5     | 10,443                 | 11,177                 |
| (c) Financial assets   |       |                        |                        |
| Other financial assets   | 6     | 114                    | 112                    |
| (d) Non-current tax assets   | 7     | 1                      | 1                      |
| <b>Total non-current assets</b>  |       | <b>10,557</b>          | <b>11,290</b>          |
| <b>2. Current assets</b>   |       |                        |                        |
| (a) Inventories  | 8     | 12                     | 7                      |
| (b) Financial assets   |       |                        |                        |
| (i) Trade receivables  | 9     | 109                    | 95                     |
| (ii) Cash and cash equivalents   | 10    | 28                     | 8                      |
| (c) Other current assets   | 11    | 6                      | 4                      |
| <b>Total current assets</b>  |       | <b>155</b>             | <b>114</b>             |
| <b>Total assets</b>  |       | <b>10,713</b>          | <b>11,404</b>          |
| <b>EQUITY AND LIABILITIES</b>  |       |                        |                        |
| <b>Equity</b>  |       |                        |                        |
| (a) Equity share capital   | 12 a  | 1                      | 1                      |
| (b) Instruments entirely equity in nature  | 12 b  | 3,872                  | 3,872                  |
| (c) Other equity   | 12 c  | (2,855)                | (2,546)                |
| <b>Total equity</b>  |       | <b>1,018</b>           | <b>1,327</b>           |
| <b>LIABILITIES</b>   |       |                        |                        |
| <b>1. Non-current liabilities</b>  |       |                        |                        |
| (a) Financial liabilities  |       |                        |                        |
| Borrowings   | 13    | 4,008                  | 4,340                  |
| (b) Provisions   | 14    | 31                     | 29                     |
| (c) Deferred tax liabilities (net)   | 15    | 4                      | 5                      |
| <b>Total non-current liabilities</b>   |       | <b>4,043</b>           | <b>4,374</b>           |
| <b>2. Current liabilities</b>  |       |                        |                        |
| (a) Financial liabilities  |       |                        |                        |
| (i) Borrowings   | 16    | 5,571                  | 5,617                  |
| (ii) Trade payables  | 17    |                        |                        |
| Total outstanding dues of micro enterprises and small enterprises                      |       | -                      | -                      |
| Total outstanding dues of creditors other than micro enterprises and small enterprises |       | 40                     | 45                     |
| (iii) Other financial liabilities  | 18    | 33                     | 33                     |
| (b) Provisions   | 19    | 5                      | 6                      |
| (c) Other current liabilities  | 20    | 3                      | 2                      |
| <b>Total current liabilities</b>   |       | <b>5,652</b>           | <b>5,703</b>           |
| <b>Total equity and liabilities</b>  |       | <b>10,713</b>          | <b>11,404</b>          |

Notes forming part of the financial statements

1 to 44

As per our report of even date

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

*Amit Kumar Kothari*

Amit Kumar Kothari  
Partner  
Membership Number 222726



Place: Mumbai  
Date : 8 May 2023

For and on behalf of the Board

*Yogen Babulal Lal*

Yogen Babulal Lal  
Director  
DIN : 01828376

*Rakesh Prashad*

Rakesh Prashad  
Director  
DIN : 08339488

Place: Mumbai  
Date : 8 May 2023



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

(₹ in lakhs)

|  | Notes | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-------|-----------------------------|-----------------------------|
| <b>Income</b>  |       |                             |                             |
| Revenue from operations  | 21    | 1,248                       | 1,098                       |
| Other income   | 22    | 1                           | 21                          |
| <b>Total income</b>  |       | <b>1,249</b>                | <b>1,119</b>                |
| <b>Expenses</b>  |       |                             |                             |
| Employee benefit expenses  | 23    | 132                         | 111                         |
| Finance costs  | 24    | 245                         | 260                         |
| Depreciation and amortisation expense                              | 25    | 735                         | 736                         |
| Other expenses   | 26    | 449                         | 413                         |
| <b>Total expenses</b>  |       | <b>1,561</b>                | <b>1,520</b>                |
| <b>(Loss) before tax</b>   |       | <b>(312)</b>                | <b>(401)</b>                |
| <b>Tax expense</b>   |       |                             |                             |
| - Current tax  | 27    | -                           | -                           |
| - Deferred tax charge /(benefit)                                   |       | (1)                         | (2)                         |
| <b>Total tax expense</b>   |       | <b>(1)</b>                  | <b>(2)</b>                  |
| <b>(Loss) for the year</b>   |       | <b>(311)</b>                | <b>(399)</b>                |
| <b>Other comprehensive income for the year</b>                     |       |                             |                             |
| Items that will not be reclassified to statement of profit or loss |       |                             |                             |
| - Remeasurement gains/(losses) on defined benefit plan             |       | 3                           | 0                           |
| - Income tax effect on above                                       |       | (1)                         | (0)                         |
| <b>Other comprehensive income for the year</b>                     |       | <b>2</b>                    | <b>0</b>                    |
| <b>Total comprehensive income/ (loss) for the year</b>             |       | <b>(308)</b>                | <b>(399)</b>                |
| <b>Earnings per equity share of Rs. 10 each fully paid-up</b>      |       |                             |                             |
| Basic EPS (in Rs)  | 32    | (3,107)                     | (3,985)                     |
| Diluted EPS (in Rs)  |       | (3,107)                     | (3,985)                     |

Notes forming part of the financial statements

1 to 44

As per our report of even date

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169WW-100035

*Amit Kothari*

Amit Kumar Kothari  
Partner  
Membership Number 222726



For and on behalf of the Board

*Yogen Babul Lal*

Yogen Babul Lal  
Director  
DIN : 01828376

*Rakesh Prashad*

Rakesh Prashad  
Director  
DIN : 08339488

Place: Mumbai

Date : 8 May 2023

Place: Mumbai

Date : 8 May 2023



Notes forming part of the financial statements

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

A Equity share capital

(₹ in lakhs)

| (i) Current Year | Balances as at 01 April 2022 | Changes in equity share capital due to prior year errors | Restated balance as at 01 April 2022 | Change in equity share capital during the Year | Balance as at 31 March 2023 |
|------------------|------------------------------|--|--------------------------------------|--|-----------------------------|
|                  | 1                            | -  | 1                                    | -  | 1                           |

| (ii) Previous Year | Balances as at 01 April 2021 | Changes in equity share capital due to prior year errors | Restated balance as at 01 April 2021 | Change in equity share capital during the Year | Balance as at 31 March 2022 |
|--------------------|------------------------------|--|--------------------------------------|--|-----------------------------|
|                    | 1                            | -  | 1                                    | -  | 1                           |

B. Instruments entirely equity in nature

(₹ in lakhs)

|                                 |       |
|---------------------------------|-------|
| Balance as at 31 March 2021     | 3,872 |
| Changes in equity share capital | -     |
| Balance as at 31 March 2022     | 3,872 |
| Changes in equity share capital | -     |
| Balance as at 31 March 2023     | 3,872 |

C. Other equity

(₹ in lakhs)

|  | Attribute to owners of Dewas Waterprojects Works Private Limited |                    |
|--|--|--------------------|
|  | Retained earnings  | Total Other Equity |
| Balance as at 01 April 2021                        | (2,148)  | (2,148)            |
| Change in accounting policy or prior period errors | -  | -                  |
| Restated Balance as at 01 April 2021               | (2,148)  | (2,148)            |
| Loss for the year                                  | (399)  | (399)              |
| Other comprehensive income                         | (0)  | (0)                |
| Total comprehensive income/ (loss) for the year    | (399)  | (399)              |
| Balance as at 31 March 2022                        | (2,546)  | (2,546)            |
| Change in accounting policy or prior period errors | -  | -                  |
| Restated Balance as at 01 April 2022               | (2,546)  | (2,546)            |
| Loss for the year                                  | (311)  | (311)              |
| Other comprehensive income                         | 2  | 2                  |
| Total comprehensive income/ (loss) for the year    | (308)  | (308)              |
| Balance as at 31 March 2023                        | (2,855)  | (2,855)            |



Dewas Waterprojects Works Private Limited  
(Formerly known as Anjar Water Solutions Private Limited)  
CIN: U74110DL2010PTC336664

Notes forming part of the financial statements

Nature and purpose of reserves :-

**Retained earnings**

Retained earnings represent the accumulated earnings net of losses, if any, made by the Company.

Notes forming part of the financial statements

1 to 44

As per our report of even date

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

Amit Kumar Kothari  
Partner  
Membership Number 222726



Place: Mumbai  
Date : 8 May 2023

For and on behalf of the Board

Yogen Babulal Lal  
Director  
DIN : 01828376

Rakesh Prashad  
Director  
DIN : 08339488

Place: Mumbai  
Date : 8 May 2023



Statement of Cash Flows for the year ended 31 March 2023

(₹ in lakhs)

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| <b>Cash flow from operating activities</b>                           |                             |                             |
| Net loss before tax  | (312)                       | (401)                       |
| <b>Adjustments for</b>   |                             |                             |
| Provision for employee benefit expenses                              | 4                           | 4                           |
| Depreciation on property, plant and equipment                        | 0                           | 0                           |
| Amortisation of Intangible assets                                    | 735                         | 736                         |
| Reversal of provision no longer required                             | -                           | (20)                        |
| Interest income on Income tax refunds                                | 0                           |                             |
| Finance costs  | 245                         | 260                         |
| Interest income  | (1)                         | (1)                         |
| <b>Operating loss before working capital changes</b>                 | <b>671</b>                  | <b>578</b>                  |
| <b>Adjustments for</b>   |                             |                             |
| (Increase) / decrease in trade and other receivables                 | (18)                        | 15                          |
| Increase / (decrease) in trade and other payables                    | (4)                         | 12                          |
| (Increase) / decrease in inventories                                 | (5)                         | (7)                         |
| <b>Cash generated/ (used) from/ in operations</b>                    | <b>644</b>                  | <b>598</b>                  |
| Direct tax paid (net)  | 0                           | (1)                         |
| <b>Net cash flow from/ (used in) operating activities (A)</b>        | <b>645</b>                  | <b>597</b>                  |
| <b>Cash flows from investing activities</b>                          |                             |                             |
| Purchase of property, plant and equipment                            | (0)                         | (0)                         |
| Interest income received   | 1                           | 1                           |
| <b>Net cash flow from/ (used in) investing activities (B)</b>        | <b>1</b>                    | <b>1</b>                    |
| <b>Cash flows from financing activities</b>                          |                             |                             |
| Repayment of long term borrowings                                    | (270)                       | (250)                       |
| Proceeds from short term borrowings to related parties               | 316                         | 222                         |
| Repayment of short term borrowings to related parties                | (426)                       | (330)                       |
| Finance costs paid   | (245)                       | (260)                       |
| <b>Net cash flow from/ (used in) in financing activities (C)</b>     | <b>(625)</b>                | <b>(618)</b>                |
| <b>Net increase/(decrease) in cash and cash equivalents (A+B +C)</b> | <b>20</b>                   | <b>(20)</b>                 |
| Cash and cash equivalents at the beginning of the year               | 8                           | 28                          |
| <b>Cash and cash equivalents at the end of the year</b>              | <b>28</b>                   | <b>8</b>                    |

Notes :

1. Break up of cash and cash equivalents are as follows :-

|  |           |          |
|--|-----------|----------|
| Cash on hand                           | 0         | 0        |
| Balances with banks in :-              |           |          |
| Current accounts                       | 28        | 8        |
| <b>Total cash and cash equivalents</b> | <b>28</b> | <b>8</b> |

2 As required by Ind AS 7 "Statement of Cash Flows", a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in note 40.





Dewas Waterprojects Works Private Limited  
(Formerly known as Anjar Water Solutions Private Limited)  
CIN: U74110DL2010PTC336664

Statement of Cash Flows for the year ended 31 March 2023

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

Notes forming part of the financial statements

1 to 44

As per our report of even date attached.

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

Amit Kumar Kothari  
Partner  
Membership Number 222726



Place: Mumbai  
Date : 8 May 2023

For and on behalf of the Board

Yogen Babulal Lal  
Director  
DIN : 01828376

Rakesh Prashad  
Director  
DIN : 08339488

Place: Mumbai  
Date : 8 May 2023



Notes forming part of the financial statements

1. Corporate information

Dewas Waterprojects Works Private Limited ('DWWPL' or 'the Company') is a subsidiary company of Welspun Enterprises Limited. The company is engaged into Project envisaging planning, design, engineering, financing, procurement, construction, restructuring, establishment of systems, operation and maintenance of water supply scheme of Dewas Industrial Area in Madhya Pradesh under Public Private Partnership (PPP) mode under Swiss Challenge Guidelines.

The financial statements of the Company are prepared for the year ended 1 April 2022 to 31 March 2023 and authorised for issue by the Board of Directors at their meeting held on 8 May 2023.

2 Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 (the Act) read with Companies (Indian Accounting Standards) Rules, 2015 as amended and other relevant provisions of the Act including the requirements mentioned in Division II of Schedule III as amended from time to time, to the extent applicable.

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

The financial statements are presented in Indian Rupees ('INR') with values rounded off to the nearest lakhs, except otherwise stated. Zero '0' denotes amount less than Rs 50,000/-

3 (A) Significant accounting policies

i) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

The Company classifies all other liabilities as non-current.

The company has identified 12 months as its operating cycle.

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

(ii) Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria is met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. The carrying amount of the replaced part accounted for as a separate asset previously is derecognized. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision is met.

Depreciation on property, plant and equipment is provided on written down value basis as per the rate derived on the basis of useful life and method prescribed under Schedule – II of the Companies Act, 2013.

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



Notes forming part of the financial statements

**iii) Intangible assets**

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

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

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

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

**(iv) Valuation of inventories**

Consumables (chemicals) are valued at lower of cost and net realizable value. Cost is determined on FIFO basis.

**v) Impairment of non-financial assets**

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

**vi) Service concession arrangements**

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

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

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

**vii) Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

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

**a) Construction contract revenue**

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



**Notes forming part of the financial statements**

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

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

**b) Services revenue**

Revenue from supply of water are accounted as and when the right to receive the same arises and it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably.

**c) Variable consideration**

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

**d) Interest income**

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

**e) Contract Balances**

**Contract assets and contract liabilities**

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

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

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

**f) Trade receivables**

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

**g) Cost to obtain a contract**

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

**h) Financing components**

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



Notes forming part of the financial statements

**i) Loss making contracts**

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

**viii) Taxes on income**

**a) Current tax**

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

**b) Deferred tax**

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

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

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

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

**ix) Foreign currency transactions**

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

**x) Cash and cash equivalents**

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

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

**xi) Earnings per share**

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

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

**a) Provisions**

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



Notes forming part of the financial statements

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

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

**b) Contingent liabilities and contingent assets**

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

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

**xiii) Financial instruments**

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

**A. Financial assets**

**Initial recognition and measurement**

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

**Subsequent measurement**

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

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

**Debt instruments**

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

**a) Debt instruments measured at amortised cost**

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

**b) Debt instruments measured at FVTOCI**

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



Notes forming part of the financial statements

**c) Debt instruments measured at FVTPL**

Debt instruments that do not meet the criteria for amortised cost or FVTOCI are measured at fair value through profit or loss. Debt instruments which are held for trading are classified as FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised and presented net in the statement of profit and loss in the period in which it arises. Interest income from these financial assets is included in other income.

**d) Equity instruments**

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

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

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

**B. Derecognition of financial assets**

A financial asset is derecognised only when

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

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

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

**C. Reclassification of financial instruments**

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

**D. Impairment of financial assets**

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

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

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

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

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



Notes forming part of the financial statements

**E. Financial liabilities**

**a) Initial recognition and measurement**

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

**b) Subsequent measurement**

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

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

**i) Financial liabilities measured at amortised cost**

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

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

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

**c) Derecognition**

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

**xiv) Fair value measurement**

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

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

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

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

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

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

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

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

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





Notes forming part of the financial statements

**xv) Government grants**

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

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

**xvi) Borrowing costs**

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

**xvii) Exceptional items**

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

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

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

**a) Revenue from contracts with customers**

The Company applied the following judgments that significantly affect the determination of the amount and timing of revenue from contracts with customers:

- i. determination of stage of completion;
- ii. estimation of total contract costs;
- iii. estimation of total contract revenue, including recognising revenue on contract variations and claims only to the extent it is highly probable that a significant reversal in the amount recognised will not occur in the future;
- iv. estimation of project completion date; and
- v. assumed levels of project execution productivity.

**b) Contingencies and commitments**

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

**c) Impairment testing**

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

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

**d) Taxes**

The Company periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. The Company records its best estimates of the tax liability in the current tax provision. The management believes that they have adequately provided for the probable outcome of these matters.



**Notes forming part of the financial statements**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

**e) Fair Value Measurement**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make.

These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions (Refer note 28).

**3 (C) Recent 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 31 March 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below :

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

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

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

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

**Ind AS 12, Income Taxes**

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



Notes forming part of the financial statements

|   | (₹ in lakhs)             |
|---|--------------------------|
| <b>4 Property, plant and equipment</b>  | <b>Office equipments</b> |
| Gross carrying value                    |                          |
| As at 31 March 2021                     | -                        |
| Additions                               | 0                        |
| Disposals                               | -                        |
| Balance as at 31 March 2022             | 0                        |
| Additions                               | 0                        |
| Disposals                               | -                        |
| Balance as at 31 March 2023             | 0                        |
| Accumulated depreciation                |                          |
| As at 31 March 2021                     | -                        |
| Additions                               | 0                        |
| Disposals                               | -                        |
| Balance as at 31 March 2022             | 0                        |
| Additions                               | 0                        |
| Disposals                               | -                        |
| Balance as at 31 March 2023             | 0                        |
| Net carrying amount as at 31 March 2023 | 0                        |
| Net carrying amount as at 31 March 2022 | 0                        |

|   | (₹ in lakhs) |
|---|--------------|
| <b>5 Intangible asset (Water Supply Rights)</b> |              |
| Gross carrying amount (cost)                    |              |
| As at 31 March 2021                             | 13,293       |
| Additions                                       | -            |
| Disposals/ written off                          | -            |
| As at 31 March 2022                             | 13,293       |
| Additions                                       | -            |
| Disposals/ written off                          | -            |
| As at 31 March 2023                             | 13,293       |
| Accumulated Amortisation                        |              |
| As at 31 March 2021                             | 1,380        |
| Additions                                       | 736          |
| As at 31 March 2022                             | 2,116        |
| Additions                                       | 735          |
| Upto 31 March 2023                              | 2,850        |
| Net carrying amount as at 31 March 2023         | 10,443       |
| Net carrying amount as at 31 March 2022         | 11,177       |



Notes forming part of the financial statements

(₹ in lakhs)

|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
|--|------------------------|------------------------|
| <b>6 Other financial assets</b><br>(Unsecured considered good unless otherwise stated) |                        |                        |
| Security deposits  | 114                    | 112                    |
| <b>Total</b>   | <b>114</b>             | <b>112</b>             |
| <b>7 Non-current tax assets</b>  |                        |                        |
| Balances with government authorities   |                        |                        |
| - Direct tax   | 1                      | 1                      |
| <b>Total</b>   | <b>1</b>               | <b>1</b>               |
| <b>8 Inventories</b>   |                        |                        |
| Raw materials including consumables (chemicals)  | 12                     | 7                      |
| <b>Total</b>   | <b>12</b>              | <b>7</b>               |
| <b>9 Trade receivables</b><br>(Unsecured considered good unless otherwise stated)      |                        |                        |
| Trade receivables  | 109                    | 95                     |
| <b>Total</b>   | <b>109</b>             | <b>95</b>              |

Ageing schedule for the year ended as on 31 March 2023 and 31 March 2022 are as follows:

As at 31 March 2023

|  | Outstanding for following periods from due date of payment |            |                   |           |           |           | TOTAL      |
|--|--|------------|-------------------|-----------|-----------|-----------|------------|
|  | Not Due  | < 6 months | 6 months - 1 year | 1-2 years | 2-3 years | > 3 years |            |
| (i) Undisputed Trade Receivables - considered good                                 | 108  | 0          | 0                 | 0         | 1         | -         | 109        |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | -  | -          | -                 | -         | -         | -         | -          |
| (iii) Undisputed Trade Receivables - Credit Impaired                               | -  | -          | -                 | -         | -         | -         | -          |
| (iv) Disputed Trade Receivables - considered good                                  | -  | -          | -                 | -         | -         | -         | -          |
| (v) Disputed Trade Receivables - which have significant increase in credit risk    | -  | -          | -                 | -         | -         | -         | -          |
| (vi) Disputed Trade Receivables - Credit Impaired                                  | -  | -          | -                 | -         | -         | -         | -          |
| <b>Total</b>   | <b>108</b>   | <b>0</b>   | <b>0</b>          | <b>0</b>  | <b>1</b>  | <b>-</b>  | <b>109</b> |



Notes forming part of the financial statements  
As at 31 March 2022

|  | Not Due   | Outstanding for following periods from due date of payment |                   |           |           |           | TOTAL     |
|--|-----------|--|-------------------|-----------|-----------|-----------|-----------|
|  |           | < 6 months   | 6 months - 1 year | 1-2 years | 2-3 years | > 3 years |           |
| (i) Undisputed Trade Receivables - considered good                                 | 92        | 1  | 1                 | 1         | -         | -         | 95        |
| (ii) Undisputed Trade Receivables - which have significant increase in credit risk | -         | -  | -                 | -         | -         | -         | -         |
| (iii) Undisputed Trade Receivables - Credit Impaired                               | -         | -  | -                 | -         | -         | -         | -         |
| (iv) Disputed Trade Receivables - considered good                                  | -         | -  | -                 | -         | -         | -         | -         |
| (v) Disputed Trade Receivables - which have significant increase in credit risk    | -         | -  | -                 | -         | -         | -         | -         |
| (vi) Disputed Trade Receivables - Credit Impaired                                  | -         | -  | -                 | -         | -         | -         | -         |
| <b>Total</b>   | <b>92</b> | <b>1</b>   | <b>1</b>          | <b>1</b>  | <b>-</b>  | <b>-</b>  | <b>95</b> |

(₹ in lakhs)

10 Cash and cash equivalents

Cash on hand  
Balances with banks in current accounts  
**Total**

|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
|---|------------------------|------------------------|
| Cash on hand                            | 0                      | 0                      |
| Balances with banks in current accounts | 28                     | 8                      |
| <b>Total</b>                            | <b>28</b>              | <b>8</b>               |

11 Other current assets

Advance against goods and services  
Prepaid expenses  
**Total**

|                                    | As at<br>31 March 2023 | As at<br>31 March 2022 |
|------------------------------------|------------------------|------------------------|
| Advance against goods and services | 4                      | 3                      |
| Prepaid expenses                   | 2                      | 1                      |
| <b>Total</b>                       | <b>6</b>               | <b>4</b>               |



12 Equity

| 12 (a) - Equity share capital  | (₹ in lakhs)           |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Authorised share capital<br>50,000 (31 March 2022 : 50,000) Equity Shares of Rs.10 each fully paid up                            | 5                      | 5                      |
| Issued, subscribed and paid up equity share capital<br>10,000 (31 March 2022 : 10,000) Equity Shares of Rs.10 each fully paid up | 1                      | 1                      |
| <b>Total issued, subscribed and paid up equity share capital</b>   | <b>1</b>               | <b>1</b>               |

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

|   | As at<br>31 March 2023     |              | As at<br>31 March 2022     |              |
|---|----------------------------|--------------|----------------------------|--------------|
|   | Number of<br>equity shares | (₹ in lakhs) | Number of<br>equity shares | (₹ in lakhs) |
| At the beginning of the Year              | 10,000                     | 1            | 10,000                     | 1            |
| Add : changes during the Year             | -                          | -            | -                          | -            |
| <b>Outstanding at the end of the Year</b> | <b>10,000</b>              | <b>1</b>     | <b>10,000</b>              | <b>1</b>     |

ii) Rights, preference and restriction on shares

The Company has only one class of equity shares having a par value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. The dividend, in case proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company the holder of the equity shares will be entitled to receive remaining assets of the Company after distribution of preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Shares held by holding/ ultimate holding companies and / or their subsidiaries/ associates

|   | As at<br>31 March 2023 |           | As at<br>31 March 2022 |           |
|---|------------------------|-----------|------------------------|-----------|
|   | Number of<br>shares    | % Holding | Number of<br>shares    | % Holding |
| Welspun Enterprises Limited and its nominees          | 7,600                  | 76%       | 7,600                  | 76%       |
| Welspun Project (Kim Mandvi Corridor) Private Limited | 2,400                  | 24%       | 2,400                  | 24%       |

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

|   | As at<br>31 March 2023 |           | As at<br>31 March 2022 |           |
|---|------------------------|-----------|------------------------|-----------|
|   | Number of<br>shares    | % Holding | Number of<br>shares    | % Holding |
| Welspun Enterprises Limited and its nominees          | 7,600                  | 76%       | 7,600                  | 76%       |
| Welspun Project (Kim Mandvi Corridor) Private Limited | 2,400                  | 24%       | 2,400                  | 24%       |

v) The Company has not issued any bonus shares, shares issued for consideration other than cash and shares bought back during the last five Years immediately preceding the reporting date 31 March 2023.

(vi) Details of promoters shareholding

| Name of promoters                                      | As at 31 March 2023 |                      |                             | As at 31 March 2022 |                   |                             |
|--|---------------------|----------------------|-----------------------------|---------------------|-------------------|-----------------------------|
|  | Number of<br>shares | % of total<br>shares | % Change during<br>the year | Number of<br>shares | % of total shares | % Change during<br>the year |
| Welspun Enterprises Limited                            | 7,594               | 76%                  | 0%                          | 7,594               | 76%               | 0%                          |
| Welspun Projects (Kim Mandvi Corridor) Private Limited | 2,400               | 24%                  | 0%                          | 2,400               | 24%               | 0%                          |
| Devendra Patil *                                       | 1                   | 0%                   | 0%                          | 1                   | 0%                | 0%                          |
| Pradeep Joshi *  | 1                   | 0%                   | 0%                          | 1                   | 0%                | 0%                          |
| Shashikant Thorat *                                    | 1                   | 0%                   | 0%                          | 1                   | 0%                | 0%                          |
| Saji Padmanabhan *                                     | 1                   | 0%                   | 0%                          | 1                   | 0%                | 0%                          |
| ARSS Bus Terminal Private Limited *                    | 1                   | 0%                   | 100%                        | -                   | -                 | -                           |
| Jayanti Venkataraman *                                 | 1                   | 0%                   | 100%                        | -                   | -                 | -                           |
| Priya Pakhare *  | -                   | -                    | (100%)                      | 1                   | 0%                | 0%                          |
| Varun Batra *  | -                   | -                    | (100%)                      | 1                   | 0%                | 0%                          |
| <b>Total</b>   | <b>10,000</b>       | <b>100%</b>          |                             | <b>10,000</b>       | <b>100%</b>       |                             |

\* (Nominee of Welspun Enterprises Limited)



Notes forming part of the financial statements

12(b) - Instruments entirely equity in nature

|  | (₹ in lakhs)           |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Compulsorily convertible debentures ('CCD') (unsecured)<br>3,872,000 (31 March 2022: 3,872,000) units of Rs 100 each, fully paid up (Refer note below) | 3,872                  | 3,872                  |
| <b>Total</b>   | <b>3,872</b>           | <b>3,872</b>           |

Terms and conditions

i) Conversion:

- a) Each debentures having face value of Rs 100 each shall be compulsorily convertible into 10 equity shares of Rs 10 each fully paid up at par at any time after 5 years.
- b) Unless converted earlier, the CCDs shall be compulsorily converted into equity shares in the ratio as mention in above clause, at the end of the Concession Period under the Concession Agreement dated 9 January 2018 or any amendment thereto.

ii) Payment of interest:

The debentures shall not carry any interest.

12(c) - Other Equity

|  | (₹ in lakhs)           |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Retained earnings                                |                        |                        |
| As per last balance sheet                        | (2,546)                | (2,148)                |
| Total comprehensive income / (loss) for the Year | (308)                  | (399)                  |
| <b>Total</b>                                     | <b>(2,855)</b>         | <b>(2,546)</b>         |



Notes forming part of the financial statements

|   | (₹ in lakhs)           |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
| <b>13 Non- current financial liability - borrowings</b> |                        |                        |
| Secured   |                        |                        |
| Term loans from banks                                   | 4,008                  | 4,340                  |
| <b>Total</b>  | <b>4,008</b>           | <b>4,340</b>           |

Nature of security and terms of repayments for long term borrowings

i) Axis Bank

a) Secured by first charge on all the Company's immovable properties, tangible movable assets including moveable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles, and intangible assets both present and future except Project assets. A first charge over all accounts of the Company including Escrow account and the sub accounts.

b) Assignment by way of Security/charge by way of hypothecation in:

(i) all the right, title, interest, benefits, claims and demands of the Company in the Project Documents;

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

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

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

c) Pledge by the holding company of 51% of the fully paid up equity share capital of the Company and 51% of the CCDs/CCPs held in the Company, in demat form ("Pledged Securities") etc.

d) Irrevocable and unconditional corporate guarantee of Welspun Enterprises Limited.

e) Assignment/charge on unsecured shareholder loan/financial assistance/funds infused by the holding company in the company.

f) 100% Fixed Deposit on auto renewal basis with the Axis Bank in the name of parent company, Welspun Enterprises Limited, lien duly noted and to be released in line with repayment of Loan in a way to ensure 100% coverage for Loan outstandings.

Repayment terms : Term loan is repayable in quarterly installments starting from December 2020 and ending in September 2031.

Rate of Interest : FD rate + 100 bps p.a.

14 Long term provisions

Provision for employee benefits

- Gratuity

- Leave benefits

**Total**

|              | (₹ in lakhs)           |                        |
|--------------|------------------------|------------------------|
|              | As at<br>31 March 2023 | As at<br>31 March 2022 |
|              | 24                     | 22                     |
|              | 7                      | 7                      |
| <b>Total</b> | <b>31</b>              | <b>29</b>              |

15 Deferred tax (assets)/ liabilities (net)

Taxable temporary difference on account of Intangible Assets

Taxable temporary difference on account of Employee benefits/  
expenses allowable on payment basis

|              |          |          |
|--------------|----------|----------|
|              | 13       | 14       |
|              | (9)      | (9)      |
| <b>Total</b> | <b>4</b> | <b>5</b> |

16 Current financial liabilities - borrowings

Secured

Current maturities of long-term borrowings (Refer note 13)

Unsecured

Borrowings from related party (Refer note 34)

- loan repayable on demand (Interest-free)

- 50,49,000 (31 March 2022: 50,49,000) units of 0% unsecured optionally convertible debentures of Rs 100 each fully paid up (Refer note A below)

**Total**

|              |              |              |
|--------------|--------------|--------------|
|              | 333          | 270          |
|              | 189          | 298          |
|              | 5,049        | 5,049        |
| <b>Total</b> | <b>5,571</b> | <b>5,617</b> |





Notes forming part of the financial statements

A) Terms of optionally convertible debentures

i) Redemption/ Conversion:

Each debenture shall be convertible, at the option of the holder or the Company into 10 equity shares of Rs 10 each of the Company at any time after the expiry of 5 years and such conversion option shall be available till the expiry of the Tenure (10 years from date of allotment) unless redeemed earlier. Besides, the Debenture holder as well as the Company has the right to seek redemption or do redemption, as the case may be, any time after the allotment of debentures. If the debentures are not converted into equity or redeemed until the expiry of the tenure, the debentures shall be redeemed at the expiry of the tenure.

ii) Payment of interest:

The debentures shall not carry any interest.

17 Trade payables

|  |           |           |
|--|-----------|-----------|
| Total outstanding dues of micro enterprises and small enterprises                      | -         | -         |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | -         | -         |
| - Others   | 40        | 45        |
| <b>Total</b>   | <b>40</b> | <b>45</b> |

|  |           | (₹ in lakhs)  |               |
|--|-----------|---------------|---------------|
|  |           | As at         | As at         |
|  |           | 31 March 2023 | 31 March 2022 |
| Total outstanding dues of micro enterprises and small enterprises                      | -         | -             | -             |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | -         | -             | -             |
| - Others   | 40        | 45            |               |
| <b>Total</b>   | <b>40</b> | <b>45</b>     |               |

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

|   | Not Due   | Outstanding for following periods from due date of payment |           |           |           | TOTAL     |
|---|-----------|--|-----------|-----------|-----------|-----------|
|   |           | < 1 year   | 1-2 years | 2-3 years | > 3 years |           |
| (i) Total outstanding dues of micro enterprises and small enterprises   | -         | -  | -         | -         | -         | -         |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (including accrued liabilities) | 28        | 12   | -         | -         | 0         | 40        |
| (iii) Disputed dues of micro enterprises and small enterprises  | -         | -  | -         | -         | -         | -         |
| (iv) Disputed dues of creditors other than micro enterprises and small enterprises  | -         | -  | -         | -         | -         | -         |
| <b>Total</b>  | <b>28</b> | <b>12</b>  | <b>-</b>  | <b>-</b>  | <b>0</b>  | <b>40</b> |

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

|   | Not Due   | Outstanding for following periods from due date of payment |           |           |           | TOTAL     |
|---|-----------|--|-----------|-----------|-----------|-----------|
|   |           | < 1 year   | 1-2 years | 2-3 years | > 3 years |           |
| (i) Total outstanding dues of micro enterprises and small enterprises   | -         | -  | -         | -         | -         | -         |
| (ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (including accrued liabilities) | 30        | 15   | 0         | 0         | 0         | 45        |
| (iii) Disputed dues of micro enterprises and small enterprises  | -         | -  | -         | -         | -         | -         |
| (iv) Disputed dues of creditors other than micro enterprises and small enterprises  | -         | -  | -         | -         | -         | -         |
| <b>Total</b>  | <b>30</b> | <b>15</b>  | <b>0</b>  | <b>0</b>  | <b>0</b>  | <b>45</b> |

18 Current financial liabilities - others

|                      |           |           |
|----------------------|-----------|-----------|
| Payable to employees | 2         | 8         |
| Deposits payable     | 31        | 25        |
| <b>Total</b>         | <b>33</b> | <b>33</b> |

|                      |           | (₹ in lakhs)  |               |
|----------------------|-----------|---------------|---------------|
|                      |           | As at         | As at         |
|                      |           | 31 March 2023 | 31 March 2022 |
| Payable to employees | 2         | 8             |               |
| Deposits payable     | 31        | 25            |               |
| <b>Total</b>         | <b>33</b> | <b>33</b>     |               |

19 Short term provisions

|                                 |          |          |
|---------------------------------|----------|----------|
| Provision for employee benefits | 4        | 5        |
| - Gratuity                      | 1        | 1        |
| - Leave benefits                | 3        | 4        |
| <b>Total</b>                    | <b>5</b> | <b>6</b> |

|                                 |          |          |
|---------------------------------|----------|----------|
| Provision for employee benefits | 4        | 5        |
| - Gratuity                      | 1        | 1        |
| - Leave benefits                | 3        | 4        |
| <b>Total</b>                    | <b>5</b> | <b>6</b> |

20 Other current liabilities

|                        |          |          |
|------------------------|----------|----------|
| Statutory dues payable | 3        | 2        |
| <b>Total</b>           | <b>3</b> | <b>2</b> |

|                        |          |          |
|------------------------|----------|----------|
| Statutory dues payable | 3        | 2        |
| <b>Total</b>           | <b>3</b> | <b>2</b> |



Notes forming part of the financial statements

|  | (₹ in lakhs)                |                             |
|--|-----------------------------|-----------------------------|
|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
| <b>21 Revenue from operations</b>                            |                             |                             |
| Water supply charges   | 1,245                       | 1,092                       |
| Revenue from other material sale                             | 3                           | 6                           |
| <b>Total</b>   | <b>1,248</b>                | <b>1,098</b>                |
| <b>22 Other Income</b>                                       |                             |                             |
| Interest income - others                                     | 1                           | 1                           |
| Interest income on Income tax refund                         | 0                           | -                           |
| Reversal of provision no longer required                     | -                           | 20                          |
| <b>Total</b>   | <b>1</b>                    | <b>21</b>                   |
| <b>23 Employee benefits expense</b>                          |                             |                             |
| Salaries and allowances                                      | 116                         | 92                          |
| Contribution to provident and other funds                    | 8                           | 13                          |
| Staff welfare expenses                                       | 8                           | 6                           |
| <b>Total</b>   | <b>132</b>                  | <b>111</b>                  |
| <b>24 Finance costs</b>                                      |                             |                             |
| Interest expenses on financial liabilities at amortised cost |                             |                             |
| - Term loans   | 237                         | 250                         |
| Net interest on net defined benefit liability                | 3                           | 2                           |
| Bank charges and other finance costs                         | 5                           | 8                           |
| <b>Total</b>   | <b>245</b>                  | <b>260</b>                  |
| <b>25 Depreciation and amortisation</b>                      |                             |                             |
| Depreciation on property, plant and equipment                | 0                           | 0                           |
| Amortisation of Intangible assets                            | 735                         | 736                         |
| <b>Total</b>   | <b>735</b>                  | <b>736</b>                  |
| <b>26 Other expenses</b>                                     |                             |                             |
| Site expenses  | 2                           | 3                           |
| Project monitoring fees                                      | 15                          | 12                          |
| Consumption  | 39                          | 33                          |
| Hire charges   | 5                           | 6                           |
| Water charges  | 215                         | 190                         |
| Power and fuel   | 88                          | 81                          |
| Repairs and maintenance :-                                   |                             |                             |
| - Plant and machinery  | 1                           | 3                           |
| - Others   | 21                          | 18                          |
| Rates and taxes  | 4                           | 5                           |
| Insurance charges  | 5                           | 7                           |
| Travelling and conveyance expenses                           | 0                           | 0                           |
| Communication expenses                                       | 2                           | 2                           |
| Legal and professional fees                                  | 25                          | 28                          |
| Director sitting fees  | 0                           | 2                           |
| Security charges   | 19                          | 18                          |
| Printing and stationary                                      | 1                           | 0                           |
| Payment to Auditor :-  |                             |                             |
| Audit fees   | 5                           | 4                           |
| Charity and Donation   | 1                           | -                           |
| Miscellaneous expenses                                       | 1                           | 1                           |
| <b>Total</b>   | <b>449</b>                  | <b>413</b>                  |



Notes forming part of the financial statements

27 Income tax

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

(₹ in lakhs)

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| <b>Current tax</b>   |                             |                             |
| Current tax on taxable income for the year                             | -                           | -                           |
| <b>Deferred tax</b>  |                             |                             |
| Relating to origination and reversal of temporary differences          | (1)                         | (2)                         |
| <b>Income tax expense reported in the statement of profit and loss</b> | <b>(1)</b>                  | <b>(2)</b>                  |

(ii) (a) Deferred tax related to items recognized in other comprehensive income (OCI) during the year

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Deferred tax assets/ (liabilities) on remeasurement (gains)/losses on defined benefit plan | (1)                         | (0)                         |
| <b>Deferred tax charged to other comprehensive income</b>                                  | <b>(1)</b>                  | <b>(0)</b>                  |

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

(₹ in lakhs)

|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
|--|-----------------------------|-----------------------------|
| Accounting profit/ (loss) before tax                                       |                             |                             |
| At India's statutory income tax rate @ 25.168%                             | (312)                       | (401)                       |
| Tax effect of amount which are not taxable in calculating taxable income : | (79)                        | (101)                       |
| Tax losses and other adjustments for which no deferred tax is recognised   | 78                          | 99                          |
| <b>Income tax expenses reported in the statement of profit and loss</b>    | <b>(1)</b>                  | <b>(2)</b>                  |

(c) Deferred tax relates to the following:

(₹ in lakhs)

|  | Balance Sheet          |                        | Recognized in the statement of<br>profit and loss |                             | Recognized in OCI           |                             |
|--|------------------------|------------------------|---|-----------------------------|-----------------------------|-----------------------------|
|  | As at<br>31 March 2023 | As at<br>31 March 2022 | Year ended<br>31 March 2023                       | Year ended<br>31 March 2022 | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
| <b>a) Taxable temporary differences</b>                |                        |                        |   |                             |                             |                             |
| Employee benefits/ expenses allowable on payment basis | -                      | -                      | -   | -                           | 1                           | 0                           |
| Intangible Assets                                      | 13                     | 14                     |   |                             |                             |                             |
| <b>Total (a)</b>                                       | <b>13</b>              | <b>14</b>              | <b>-</b>  | <b>-</b>                    | <b>1</b>                    | <b>0</b>                    |
| <b>b) Deductible temporary differences</b>             |                        |                        |   |                             |                             |                             |
| Employee benefits/ expenses allowable on payment basis | (9)                    | (9)                    |   |                             |                             |                             |
| Intangible Assets                                      |                        |                        | (1)   | (2)                         | -                           | -                           |
| <b>Total (b)</b>                                       | <b>(9)</b>             | <b>(9)</b>             | <b>(1)</b>  | <b>(2)</b>                  | <b>-</b>                    | <b>-</b>                    |
| <b>Net deferred tax (assets)/liabilities (a)-(b)</b>   | <b>4</b>               | <b>5</b>               |   |                             |                             |                             |
| <b>Deferred tax charge/(credit) (a)+(b)</b>            |                        |                        | <b>(1)</b>  | <b>(2)</b>                  | <b>1</b>                    | <b>0</b>                    |

(iii) The Company has brought forward business losses of Rs. 2,086 Lakhs (31 March 2022 Rs. 1,776 Lakhs) that are available for offsetting future taxable business losses. Deferred tax assets of Rs. 525 Lakhs (31 March 2022 Rs. 447 Lakhs) have not been recognized in respect of these losses in view of uncertainty of future taxable business profits.



Notes forming part of the financial statements

28 Fair value

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

Financial instruments by category

|                                    | As at<br>31 March 2023 |                   | As at<br>31 March 2022 |                   |
|------------------------------------|------------------------|-------------------|------------------------|-------------------|
|                                    | FVTPL                  | Amortised<br>Cost | FVTPL                  | Amortised<br>Cost |
| <b>Financial assets</b>            |                        |                   |                        |                   |
| <b>Non - current assets</b>        |                        |                   |                        |                   |
| Other financial assets             | -                      | 114               | -                      | 112               |
| <b>Current assets</b>              |                        |                   |                        |                   |
| Trade receivables                  | -                      | 109               | -                      | 95                |
| Cash and cash equivalents          | -                      | 28                | -                      | 8                 |
| <b>Total financial assets</b>      | -                      | <b>251</b>        | -                      | <b>215</b>        |
| <b>Financial liabilities</b>       |                        |                   |                        |                   |
| <b>Non-current liabilities</b>     |                        |                   |                        |                   |
| Borrowings                         | -                      | 4,008             | -                      | 4,340             |
| <b>Current liabilities</b>         |                        |                   |                        |                   |
| Borrowings                         | -                      | 5,571             | -                      | 5,617             |
| Trade payables                     | -                      | 40                | -                      | 45                |
| Other financial liabilities        | -                      | 33                | -                      | 33                |
| <b>Total financial liabilities</b> | -                      | <b>9,652</b>      | -                      | <b>10,035</b>     |

- b) The carrying amounts of cash and cash equivalents, other bank balances, other financial assets, non current, current borrowings, trade payables and other financial liabilities that are measured at amortised cost are considered to be approximately equal to the fair value due to short-term maturities of these financial assets/ liabilities.



Notes forming part of the financial statements

29 Ratio Analysis and its elements

| Ratios                               | Numerator   | Denominator  | Measure (In times/ percentage) | Year ended 31 March 2023 | Year ended 31 March 2022 | % variance | Reason for variance #                                   |
|--------------------------------------|---|--|--------------------------------|--------------------------|--------------------------|------------|---|
| (a) Current Ratio (in times)         | Current assets  | Current liabilities  | Times                          | 0.03                     | 0.02                     | 37.63%     | On account of increase in current assets                |
| (b) Debt-equity ratio                | Total debt [Non-current borrowings + Current borrowings]  | Total Equity   | Times                          | 9.41                     | 7.50                     | 25.33%     | On account of decrease in equity for loss incurred      |
| (c) Debt service coverage ratio      | Earning for Debt Service = Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.               | Debt service = interest & Lease Payments + Principal Repayments            | Times                          | 1.30                     | 1.17                     | 11.23%     | -   |
| (d) Return on equity ratio           | Profit after tax \$   | Average of total equity  | Percentage                     | (26.31%)                 | (26.11%)                 | 0.76%      | -   |
| (e) Inventory turnover ratio         | Costs of materials consumed   | Average inventories  | Times                          | 4.03                     | 9.06                     | (55.57%)   | On account of increase in inventory in the current year |
| (f) Trade receivables turnover ratio | Revenue from operations   | Average trade receivables  | Times                          | 12.27                    | 10.95                    | 12.07%     | -   |
| (g) Trade payables turnover ratio    | Subcontracting costs + other expenses   | Average trade payables   | Times                          | 9.64                     | 8.14                     | 18.44%     | -   |
| (h) Net capital turnover ratio       | Revenue from operations   | Average Working capital [Current assets - Current liabilities]             | Times                          | (0.23)                   | (0.20)                   | 15.31%     | -   |
| (i) Net profit ratio                 | Profit after tax \$   | Revenue from operations  | Percentage                     | (24.72%)                 | (36.29%)                 | (31.88%)   | On account of loss incurred                             |
| (j) Return on capital employed       | Earnings before depreciation and amortisation, interest and tax [Earnings = Profit after tax + Tax expense + Depreciation and amortisation expense + Finance costs (excluding interest on lease liabilities)] | Capital employed [Total assets - Current liabilities + Current borrowings] | Percentage                     | 6.48%                    | 5.39%                    | 20.30%     | -   |
| (k) Return on investment             | NA  | NA   | NA                             | NA                       | NA                       | NA         | NA  |

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



Notes forming part of the financial statements

30 Financial risk management

The Company's principal financial liabilities mainly comprise borrowings and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets includes loans, trade receivables, other receivables, and cash and cash equivalents that derive 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.

**A. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk.

**Interest rate risk**

This refers to risk to Company's cash flow and profits on account of movement in market interest rates. For the Company the interest risk arises mainly from interest bearing borrowings which are at floating interest rates. To mitigate interest rate risk, the Company closely monitors market interest.

**(i) Interest rate risk exposure**

|                          | (₹ in lakhs)           |                        |
|--------------------------|------------------------|------------------------|
|                          | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Variable rate borrowings | 4,340                  | 4,610                  |

**(ii) Interest rate sensitivity**

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

| Effect on Profit before tax                  | (₹ in lakhs)           |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Interest rates : Increase by 50 basis points | (22)                   | (23)                   |
| Interest rates : Decrease by 50 basis points | 22                     | 23                     |

**B. Credit risk**

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy.

The Company's maximum exposure to credit risk for the components of the balance sheet is the carrying amounts.

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

|                    | (₹ in lakhs)           |                        |
|--------------------|------------------------|------------------------|
|                    | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Trade receivables  |                        |                        |
| Up to 3 months     | 108                    | 92                     |
| 3 to 6 months      | 0                      | 1                      |
| More than 6 months | 1                      | 2                      |
| <b>Total</b>       | <b>109</b>             | <b>95</b>              |

The Company reviews its outstanding position of financial assets on monthly basis and takes necessary action to mitigate the risk.

**C. Liquidity risk**

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

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

| As at 31 March 2023  | (₹ in lakhs)            |                          |  |
|----------------------|-------------------------|--------------------------|--|
|                      | Long term<br>borrowings | Short term<br>borrowings | Trade payables and<br>other<br>financial liability |
| Less than 1 year     | 333                     | 5,238                    | 73   |
| Between 1 to 5 years | 1,883                   | -                        | -  |
| Beyond 5 years       | 2,124                   | -                        | -  |
| <b>Total</b>         | <b>4,340</b>            | <b>5,238</b>             | <b>73</b>  |



Notes forming part of the financial statements

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

| As at 31 March 2022  | Long term borrowings | Short term borrowings | Trade payables and other financial liability | (₹ in lakhs) |
|----------------------|----------------------|-----------------------|--|--------------|
| Less than 1 year     |                      |                       |  |              |
| Between 1 to 5 years | 270                  | 5,347                 |  | 78           |
| Beyond 5 years       | 1,598                | -                     |  | -            |
| <b>Total</b>         | <b>2,743</b>         | <b>-</b>              | <b>-</b>                                     | <b>-</b>     |
|                      | <b>4,611</b>         | <b>5,347</b>          |  | <b>78</b>    |

### 31 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the shareholders of the Company. The primary objective of the Company's capital management is to maximise the shareholders value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants, if any. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, other payables, less cash and cash equivalents.

|                       |       | As at 31 March 2023 | As at 31 March 2022 | (₹ in lakhs) |
|-----------------------|-------|---------------------|---------------------|--------------|
| Net Debt              |       |                     |                     |              |
| Total Capital         | A     | 9,626               | 10,029              |              |
| Capital and net debt  | B     | 1,018               | 1,327               |              |
| Capital Gearing Ratio | C=A+B | 10,644              | 11,356              |              |
|                       | A/C   | 90%                 | 88%                 |              |

### 32 Earnings per share (EPS)

|   | Year ended 31 March 2023 | Year ended 31 March 2022 | (₹ in lakhs) |
|---|--------------------------|--------------------------|--------------|
| Net loss after tax available for equity shareholders (Rupees in lakhs)  | (311)                    | (399)                    |              |
| Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating basic EPS (Number of shares)     | 10,000                   | 10,000                   |              |
| Add : Effect of dilutions :-  |                          |                          |              |
| Compulsorily Convertible Debentures (number of shares)  | 38,720,000               | 38,720,000               |              |
| Weighted average number of equity shares of Rs. 10 each outstanding during the year used for calculating diluted EPS (Number of shares) * | 38,730,000               | 38,730,000               |              |
| Basic EPS (in Rs)   |                          |                          |              |
| Diluted EPS (in Rs)   | (3,107)                  | (3,985)                  |              |
|   | (3,107)                  | (3,985)                  |              |

\* Compulsorily convertible debentures are anti-dilutive and ignored in the calculation of Diluted earnings per share.

### 33 Segment Information

The Company is engaged in the business of infrastructure development/ operation which in the opinion of the management is considered the only business segment in the context of Ind AS 108. The geographical segment is not relevant as the Company operates in a single geographical segment i.e. India.



Notes forming part of the financial statements

34 Disclosure as required by Ind AS 24 - Related Party disclosures  
a) Details of Holding Company

| Name of the entity                           | Extent of holding      |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Welspun Enterprises Limited and its nominees | 76%                    | 76%                    |

b) Fellow subsidiaries

- Welspun Projects (Himmatnagar Bypass) Private Limited
- Welspun Project (Kim Mandvi Corridor) Private Limited
- Welspun Aunta Simaria Projects Private Limited
- Welspun Build-Tech Private Limited
- Welspun Natural Resources Private Limited #
- ARSS Bus Terminal Private Limited
- Grenoble Infrastructure Private Limited
- DME Infra Private Limited
- Welspun Sattanathapuram Nagapattinam Road Private Limited
- Welspun Infraconstruct Private
- Welspun Road Infra Private Limited ##
- Welsteel Enterprises Private Limited
- Welspun-Kaveri Infraprojects JV Private Limited
- RGY Roads Private Limited &
- MBL (GSY) Road Limited & ##
- MBL (CGRC) Road Limited & ##
- Corbello Trading Private Limited %
- Chikhali - Tarsod Highways Private Limited % ##
- Welspun EDAC JV Private Limited @
- Welspun-Kaveri Infraprojects JV
- Welspun Delhi Meerut Expressway Private Limited ##
- Welspun New Energy Limited ^
- Welspun Infracility Private Limited \$

- % Became fellow subsidiary w.e.f. 05 September 2022
- & Became fellow subsidiary w.e.f. 28 September 2022
- # Cease to be fellow subsidiary w.e.f. 27 February 2023
- ## Cease to be fellow subsidiary w.e.f. 22 December 2022
- ^ Became subsidiary w.e.f. 31 January 2023
- \$ Cease to be a fellow subsidiary w.e.f. 22 December 2022
- @ Became fellow subsidiary w.e.f. 6 June 2022

c) Associate

- Welspun Infracility Private Limited ^^
- ^^ Became associate w.e.f. 22 December 2022

d) Directors / Key managerial Personnel (KMP)

| Name of the Related Parties |                      |
|-----------------------------|----------------------|
| Mr. Vishal Tandon ^         | Director             |
| Mr. Yogen Lal               | Director             |
| Mr Rakesh Prashad           | Director             |
| Mr. Devendra Patil ^^       | Director             |
| Mr. Sunil Agrawal *         | Director             |
| Mrs Mala Todarwal           | Independent Director |
| Mrs Amita Karia \$          | Independent Director |

- ^ Appointed w.e.f June 30, 2021
- ^^ Resigned w.e.f June 15, 2021
- \$ Resigned w.e.f January 1, 2022
- \* Appointed w.e.f April 25, 2022





Notes forming part of the financial statements

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

| Nature of transactions   | (₹ in lakhs)                |                             |
|--|-----------------------------|-----------------------------|
|  | Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
| Proceeds from short term borrowing<br>Welspun Enterprises Limited                      | 316                         | 222                         |
| Repayment of short term borrowing<br>Welspun Enterprises Limited                       | 426                         | 331                         |
| Bank Guarantee discharged<br>Welspun Enterprises Limited                               | 250                         | -                           |
| Corporate Guarantee given for performance discharged by<br>Welspun Enterprises Limited | -                           | 280                         |
| Directors sitting fees paid/ provided<br>Mrs. Mala Todarwal                            | 0                           | 1                           |
| Mrs. Amita Karia   | 0                           | 1                           |

Closing balances as at

|  | (₹ in lakhs)           |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Short term borrowings<br>Welspun Enterprises Limited               | 189                    | 298                    |
| Compulsorily Convertible Debentures<br>Welspun Enterprises Limited | 3,872                  | 3,872                  |
| Optionally Convertible Debentures<br>Welspun Enterprises Limited   | 5,049                  | 5,049                  |
| Bank Guarantee<br>Welspun Enterprises Limited                      | 111                    | 361                    |

i) An undertaking (financial guarantee as per Ind AS) is given to lenders by Welspun Enterprises Limited, pursuant to which maximum exposure towards this is Rs 434 lakhs (31 March 2022 : Rs 461 lakhs).

35 Contingent liabilities (to the extent not provided for)

The Company does not have any contingent liability and commitments as at 31 March 2023 (31 March 2022: Nil)

36 Gratuity and other post employment benefits plans

The disclosures of employee benefit as defined in the Ind AS 19 - "Employee Benefits" are given below :

a) The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

b. Leave encashment is a non-funded defined benefit scheme. The obligation for leave encashment is recognized in the same manner as gratuity.

c. Details of post retirement gratuity plan are as follows :-

i. Net expenses recognised during the year in the statement of profit and loss :-

|  |  |
|--|--|
| Current service cost   |  |
| Past service cost including curtailment gains/ losses          |  |
| Interest cost (net)  |  |
| <b>Net expenses recognised in statement of profit and loss</b> |  |

| (₹ in lakhs)                |                             |
|-----------------------------|-----------------------------|
| Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
| 2                           | 2                           |
| -                           | -                           |
| 2                           | 2                           |
| <b>4</b>                    | <b>4</b>                    |

ii. Net expenses recognised during the year in other comprehensive income (OCI)

|  |  |
|--|--|
| Actuarial (gains) / losses arising from changes in demographic assumptions |  |
| Actuarial (gains) / losses arising from changes in financial assumptions   |  |
| Actuarial (gains) / losses arising from changes in experience assumptions  |  |
| Expected return on plan assets excluding interest                          |  |
| <b>Net expenses recognised in other comprehensive income</b>               |  |

| (₹ in lakhs)                |                             |
|-----------------------------|-----------------------------|
| Year ended<br>31 March 2023 | Year ended<br>31 March 2022 |
| 1                           | (0)                         |
| (1)                         | (0)                         |
| (3)                         | 1                           |
| -                           | -                           |
| <b>(3)</b>                  | <b>0</b>                    |



Notes forming part of the financial statements

iii. Reconciliation of opening and closing balances of defined benefit obligation

|  | (₹ in lakhs)           |                        |
|--|------------------------|------------------------|
|  | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Defined benefit obligation as at the beginning of the year | 27                     | 24                     |
| Current service cost                                       | 2                      | 2                      |
| Interest cost  | 2                      | 2                      |
| Actuarial (gain) / loss on obligation                      | (3)                    | 0                      |
| Benefits directly paid by the Company                      |                        | (1)                    |
| <b>Defined benefit obligation at the end of the year</b>   | <b>28</b>              | <b>27</b>              |

iv. Actuarial assumptions

Mortality Table

Discount rate (per annum)

Rate of escalation in salary (per annum)

Attrition rate

|   | As at<br>31 March 2023                                    | As at<br>31 March 2022                                    |
|---|---|---|
| 100% of Indian Assured Lives Mortality (2012-14)          | 7.52%   | 7.32%   |
|   | 6.00%   | 6.00%   |
| 18% up to age 30, 9% from age 31 to 44 and 15% thereafter | 8% up to age 30, 11% from age 31 to 44 and 20% thereafter | 8% up to age 30, 11% from age 31 to 44 and 20% thereafter |

v. Quantitative sensitivity analysis

Impact of change in discount rate

Present value obligation at the end of the period

Impact due to increase of 0.50%

Impact due to decrease of 0.50%

Impact of change in salary increase

Present value obligation at the end of the period

Impact due to increase of 0.50%

Impact due to decrease of 0.50%

|   | (₹ in lakhs)           |                        |
|---|------------------------|------------------------|
|   | As at<br>31 March 2023 | As at<br>31 March 2022 |
| Present value obligation at the end of the period | 28                     | 27                     |
| Impact due to increase of 0.50%                   | (1)                    | (1)                    |
| Impact due to decrease of 0.50%                   | 1                      | 1                      |
| Present value obligation at the end of the period | 28                     | 27                     |
| Impact due to increase of 0.50%                   | 1                      | 1                      |
| Impact due to decrease of 0.50%                   | (1)                    | (1)                    |

vi. Maturity analysis of projected benefit obligation

Year ended 31-Mar-23

Year ended 31-Mar-24

Year ended 31-Mar-25

Year ended 31-Mar-26

Year ended 31-Mar-27

Year ended 31-Mar-28

|                      | As at<br>31 March 2023 | As at<br>31 March 2022 |
|----------------------|------------------------|------------------------|
| Year ended 31-Mar-23 | -                      | 5                      |
| Year ended 31-Mar-24 | 4                      | 5                      |
| Year ended 31-Mar-25 | 4                      | 6                      |
| Year ended 31-Mar-26 | 7                      | 8                      |
| Year ended 31-Mar-27 | 8                      | 8                      |
| Year ended 31-Mar-28 | 9                      | -                      |

37 Concession arrangements - main features

(i) Name of the concession :

Restructured Dewas Water Supply Scheme

(ii) Description of arrangements :

Project envisaging planning, design, engineering, financing, procurement, construction, restructuring, establishment of systems, operation and maintenance of water supply scheme of Dewas Industrial Area in Madhya Pradesh under Public Private Partnership (PPP) mode under Swiss Challenge Guidelines

(iii) Significant terms of arrangements :

Period of Concession: up to 15-06-2037.

Construction Period: 365 days from Appointed Date

Remuneration: Water Supply Fees

Investment grant from concession grantor: Yes

Infrastructure return to grantor at end of concession : Yes

Investment and renewal obligations: No

Re-pricing dates: Every year of O&M

Basis upon which re-pricing or re-negotiation is determined: Tariff escalation formula as defined in concession agreement



Notes forming part of the financial statements

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

Disaggregation of Revenue

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

39 On the basis of the information available with the Company and intimations received from suppliers (Trade payables and Other payables), there are no dues payable as on 31 March 2023 (31 March 2022 :Rs Nil) to Micro, Small and Medium Enterprises as per the disclosure requirement under the Micro, Small and Medium Enterprises Development Act, 2006.

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

|                     | Equity share capital | Compulsorily convertible debentures | Optionally convertible debentures | Short term borrowings | Borrowings (Incl Current maturity of long term ) |
|---------------------|----------------------|-------------------------------------|-----------------------------------|-----------------------|--|
| As at 31 March 2022 | 1                    | 3,872                               | 5,049                             | 298                   | 4,610  |
| Cash inflows        | -                    | -                                   | -                                 | 316                   | -  |
| Cash outflows       | -                    | -                                   | -                                 | (427)                 | (270)  |
| Non cash items      | -                    | -                                   | -                                 | -                     | -  |
| As at 31 March 2023 | 1                    | 3,872                               | 5,049                             | 188                   | 4,340  |

|                     | Equity share capital | Compulsorily convertible debentures | Optionally convertible debentures | Short term borrowings | Borrowings (Incl Current maturity of long term ) |
|---------------------|----------------------|-------------------------------------|-----------------------------------|-----------------------|--|
| As at 31 March 2021 | 1                    | 3,872                               | 5,049                             | 407                   | 4,860  |
| Cash inflows        | -                    | -                                   | -                                 | 222                   | -  |
| Cash outflows       | -                    | -                                   | -                                 | (331)                 | (250)  |
| Non cash items      | -                    | -                                   | -                                 | -                     | -  |
| As at 31 March 2022 | 1                    | 3,872                               | 5,049                             | 298                   | 4,610  |

41 Collateral / security pledged

The carrying amount of assets pledged as security for current and non-current borrowings availed (Fund based - 31 March 2023: Rs 4,340 lakhs (31 March 2022 : Rs 4,610 lakhs)) of the Company are as under:

- a) Intangible assets  
b) Other current and non-current assets excluding tax and (a) above

|   | As at 31 March 2023 | As at 31 March 2022 |
|---|---------------------|---------------------|
| a) Intangible assets  | 10,443              | 11,177              |
| b) Other current and non-current assets excluding tax and (a) above | 267                 | 225                 |
|   | 10,710              | 11,402              |



Notes forming part of the financial statements

42 Other Statutory Information

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off during the year under Section 248 of Companies Act, 2013 or Section 560 of Companies Act, 1956

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) There are no transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961

(vi) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender

(vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.

(viii) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial

(ix) The Company has not received any whistle blower complaints during the year.

(x) Utilization of borrowed fund and securities premium

(a) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall 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 to or on behalf of the Ultimate Beneficiaries.

(b) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall 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.

(xi) The company has availed term loans (secured) which are project specific and does not warrant submission of quarterly information to banks/financial institutions.

43 Details of loans given, investments made and guarantee given covered U/s 186 of the Companies Act, 2013.

The Company is engaged in the business of providing infrastructural facilities as specified under Schedule VI of the Companies Act 2013 (the 'Act') and hence the provisions of Section 186 of the Act related to loans/ guarantees given or securities provided are not applicable to the Company.

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

As per our report of even date  
For MGB & Co LLP  
Chartered Accountants  
Firm Registration Number 101169W/W-100035



Amit Kumar Kothari  
Partner  
Membership Number 222726

Place: Mumbai  
Date : 8 May 2023



For and on behalf of the Board



Yogen Babulal Lal  
Director

DIN : 01828376  
Place: Mumbai  
Date : 8 May 2023



Rakesh Prashad  
Director

DIN : 08339488

