

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051

BSE Limited,
Floor 25, P J Towers,
Dalal Street,
Mumbai - 400 001

NSE Symbol: WABAG

BSE Scrip Code: 533269

Dear Sir/Madam,

Sub.: Notice of the 29th Annual General Meeting (AGM) of the Company and Annual Report for the FY 2023-24

Ref.: Regulation 30 and 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30, 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with applicable provisions of the Companies Act 2013, the rules and circulars framed thereunder, as amended from time to time, please find enclosed the following:

1. Notice convening the 29th AGM of the Company
2. Annual Report for the FY 2023-24 (along with Business Responsibility and Sustainability Report)

We refer to our earlier intimation dated May 21, 2024 informing about that the 29th AGM will be held on Wednesday, August 14, 2024 at 3:00 P.M. IST through Video Conferencing/ Other Audio Visual Means ("VC/OAVM"). In this regard, we hereby notify that the scheduled time to start the AGM is changed to **4.00 P.M. IST on Wednesday, August 14, 2024** instead of 3.00 P.M. IST.

The electronic versions of the said Notice and Annual Report are being sent to all eligible Members of the Company whose e-mail ids are registered with the Company / Depository Participants and the same is also available on the website of the Company at www.wabag.com. Kindly take on record the same.

Thanking You,

Yours faithfully,
For VA TECH WABAG LIMITED

Anup Kumar Samal
Company Secretary & Compliance Officer
Membership No: F4832



Encl.: As above

Sustainable solutions, for a better life

VA TECH WABAG LIMITED

CIN - L45205TN1995PLC030231

Registered Office: "WABAG HOUSE", No.17, 200 Feet Thoraipakkam - Pallavaram Main Road,
Sunnambu Kolathur, Chennai - 600 117, Tamil Nadu, IndiaE-mail: companysecretary@wabag.in | Website: www.wabag.com

Phone: 044 6123 2323 | Fax: 044 6123 2324

NOTICE

NOTICE is hereby given that the Twenty-ninth (29th) Annual General Meeting ("AGM") of the Members of VA TECH WABAG LIMITED will be held on **Wednesday, August 14, 2024 at 4.00 P.M. (IST)**, through video conferencing / other audio visual means ("VC/OAVM") to transact the following business:

ORDINARY BUSINESS

1. Adoption of Financial Statements

- a) To consider and adopt the audited standalone financial statements of VA TECH WABAG LIMITED ("the Company") for the financial year ended March 31, 2024, together with the reports of the Board of Directors of the Company and the Auditors thereon; and
- b) To consider and adopt the audited consolidated financial statements of VA TECH WABAG LIMITED ("the Company") for the financial year ended March 31, 2024, together with the report of the Auditors thereon.

2. Appointment of Mr. S. Varadarajan (DIN:02353065) as a Director, liable to retire by rotation

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013, the approval of the Members of VA TECH WABAG LIMITED ("the Company"), be and is hereby accorded to re-appoint Mr. S. Varadarajan (DIN:02353065), as a Director of the Company, who is liable to retire by rotation."

SPECIAL BUSINESS

3. Re-appointment of Mr. Rajiv Mittal (DIN: 01299110) as the Chairman and Managing Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED THAT pursuant to the provisions of Sections 152, 196, 197, 198 and 203 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Schedule V and all other applicable provisions if any, of the Companies Act, 2013, ("the Act"), rules, circulars, orders and notifications issued thereunder, and the Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of VA TECH WABAG LIMITED ("the Company"), in respect of whom the Company has received a notice in writing from a Member of the Company proposing his candidature for the office of Director pursuant to Section 160 of the Act and as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) of the Company, the approval of the Members of the Company be and is hereby accorded for the re-appointment of Mr. Rajiv Mittal, (DIN: 01299110) as the Chairman and Managing Director of the Company, for a further period of five (5) years with effect from April 01, 2025 up to March 31, 2030, on the terms and conditions including remuneration as set out in the explanatory statement annexed to this notice convening the twenty-ninth (29th) Annual General Meeting, with liberty to the Board to alter and vary the terms and conditions of the said re-appointment including remuneration, as it may deem fit and as may be acceptable to Mr. Rajiv Mittal, subject to the remuneration not exceeding the limits specified under Schedule V to the Act and the SEBI LODR or any statutory modification(s) or re-enactment thereof from time to time."

"RESOLVED FURTHER THAT the Board be and are hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable including powers / authority to settle any question, difficulty, doubt that may arise in respect of the

matter aforesaid and to take all steps and / or other formalities as may be required to give effect to the above resolution.”

4. Re-appointment of Mr. Amit Goela (DIN:01754804) as a Non – Executive Non - Independent Director of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 read with the Companies (Appointment and Qualification of Directors) Rules, 2014, all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”), rules, circulars, orders and notifications issued thereunder, and Securities Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 (“SEBI LODR”) (including any statutory modification(s) or re-enactment thereof for the time being in force), Articles of Association of VA TECH WABAG LIMITED (“the Company”), as recommended by the Nomination and Remuneration Committee and approved by the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) of the Company, Mr. Amit Goela (DIN:01754804) whose period of office is liable to expire on July 19, 2024, who has submitted his consent for re-appointment and who is eligible for re-appointment under the provisions of the Act, rules made thereunder and the SEBI LODR and in respect of whom the Company has received a notice in writing from a Member of the Company proposing his candidature for the office of Director pursuant to Section 160 of the Act, be and is hereby re-appointed as a Non – Executive Non-Independent Director of the Company, to hold office for a period of five (5) years with effect from July 20, 2024 till July 19, 2029, who shall be liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board be and are hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable including powers / authority to settle any question, difficulty, doubt that may arise in respect of the matter aforesaid and to take all steps and / or other formalities as may be required to give effect to the above resolution.”

5. Ratification of the Remuneration payable to the Cost Auditor for the Financial Year 2023-24

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment

thereof for the time being in force), a remuneration of INR 5,00,000/- (Indian Rupees Five Lakhs only) exclusive of applicable taxes and out of pocket expenses, if any, payable to Mr. K. Suryanarayanan, Practicing Cost Accountant, Chennai (Membership No. 24946) who was appointed by the Board of Directors of VA TECH WABAG LIMITED (“the Company”) (hereinafter referred to as “the Board” which term shall deem to include any Committee constituted / to be constituted by the Board), to conduct the audit of the cost records maintained by the Company for the FY 2023-24, as recommended by the Audit Committee and approved by the Board, be and is hereby ratified, confirmed and approved.”

“RESOLVED FURTHER THAT the Board be and are hereby authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable including powers / authority to settle any question, difficulty, doubt that may arise in respect of the matters aforesaid and to take all steps and / or other formalities as may be required to give effect to the above resolution.”

6. Increase in the Borrowing limits of the Company

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession to the resolution passed by the Members at the twenty-second Annual General Meeting (AGM) of VA TECH WABAG LIMITED (“the Company”) held on July 27, 2017, and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and in terms of Article 128 of the Articles of Association of the Company, the consent of the Members, be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof for exercising the powers conferred on the Board by this resolution) for borrowing, from time to time, as they may deem fit, any sum or sum of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of paid-up capital and free reserves and securities premium of the Company that is to say, reserves not set apart for any specific purpose, provided that the total amount so borrowed, in the form of both fund based and non-fund based borrowing, shall not at any time exceed INR 6,000 Crores (Indian Rupees Six Thousand Crores only) or the aggregate of the paid-up capital and free reserves and securities premium of the Company from time to time, whichever is higher.”

“**RESOLVED FURTHER THAT** the Board be and are hereby authorized and empowered to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

7. Increase in limits for creation of charges on the assets of the Company

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

“**RESOLVED THAT** in supersession to the resolution, passed by the Members at the twenty-second Annual General Meeting (AGM) of VA TECH WABAG LIMITED (“the Company”) held on July 27, 2017, and pursuant to the provisions of section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, and the rules made thereunder and Regulation 37A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (including any statutory modification(s) or re-enactment thereof for the time being in force), and in terms of Article 128 of the Articles of Association of the Company, the consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof for exercising the powers conferred on the Board by this resolution) to create such charges, mortgages and hypothecations in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable assets of the Company, both

present and future, in such manner as the Board may deem fit, together with the power to take over the substantial assets of the Company in certain events in favor of financial institutions, investment institutions, banks, non-banking financial companies, mutual funds, trusts, other bodies corporate or any other investing agencies and trustees for the holders of debentures / bonds / qualified institutional placement / other instruments which may be issued on private placement basis or otherwise to secure rupee / foreign currency loans and / or the issue of debentures whether partly / fully convertible or non-convertible and / or other securities and / or rupee / foreign currency convertible bonds and / or bonds with share warrants attached (hereinafter collectively referred to as “Loans”) provided that the total amount of Loans together with interest thereon, additional interest, compound interest, liquidated damages, commitment charges, premium on pre-payment or on redemption, costs, charges, expenses and all other monies payable by the Company in respect of the said Loans for which the charge created / to be created on Fund based and Non-fund based borrowings shall not, at any time exceed INR 6,000 Crores (Rupees Six Thousand Crores only) or the aggregate of the paid-up capital and free reserves and securities premium of the Company from time to time, whichever is higher.”

“**RESOLVED FURTHER THAT** the Board be and are hereby authorized and empowered to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required to give effect to this resolution.”

By Order of the Board of Directors of
VA TECH WABAG LIMITED

Anup Kumar Samal

Company Secretary & Compliance Officer
Membership No.: F4832

Date: May 21, 2024
Place: Chennai

Registered Office:

VA TECH WABAG LIMITED

“WABAG HOUSE”, No.17,
200 Feet Thoraipakkam - Pallavaram Main Road,
Sunnambu Kolathur, Chennai - 600117,
Tamil Nadu, India.
CIN - L45205TN1995PLC030231
E-mail: companysecretary@wabag.in
Website: www.wabag.com
Phone: 044 6123 2323
Fax: 044 6123 2324

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") setting out material facts concerning the business under Item Nos. 2, 3, 4, 5, 6 and 7 of the accompanying notice, is annexed hereto.
2. Additional information pursuant to Regulation 26 and 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and Secretarial Standard - 2, in respect of the Directors seeking appointment / re-appointments at this AGM is furnished and forms part of the notice. There are no *inter-se* relationships between the Board Members. The Directors have furnished requisite consents / declarations for the said appointment / re-appointments.
3. **General instructions for accessing and participating in the 29th AGM through VC/OAVM facility and voting through electronic means including remote e-Voting.**
 - a. As per the Ministry of Corporate Affairs ("MCA") General Circular Nos. 09/2023 dated September 25, 2023, 10/2022 dated December 28, 2022, No. 02/2022 dated May 05, 2022, No. 02/2021 dated January 13, 2021, No. 20/2020 dated May 05, 2020, No. 17/2020 dated April 13, 2020, No. 14/2020 dated April 8, 2020 (collectively referred to as "MCA Circulars") read with the SEBI Circular Nos. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2023/167 dated October 07, 2023, SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively referred to as "SEBI Circulars"), and in compliance with the provisions of the Act and SEBI LODR, the 29th AGM of the Company is being conducted through VC/OAVM facility (hereinafter called as "e-AGM"), which does not require physical presence of the Members at a common venue. The deemed venue for the 29th AGM shall be the Registered Office of the Company.
 - b. PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE, THIS AGM IS BEING HELD THROUGH VC/OAVM, PHYSICAL ATTENDANCE OF THE MEMBERS HAS BEEN DISPENSED WITH.

ACCORDINGLY, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THIS NOTICE. HOWEVER, PURSUANT TO SECTION 112 AND 113 OF THE ACT, AUTHORISED REPRESENTATIVES OF THE MEMBERS MAY BE APPOINTED FOR THE PURPOSE OF VOTING THROUGH REMOTE E-VOTING, PARTICIPATION IN THE 29TH AGM THROUGH VC/OAVM FACILITY AND E-VOTING DURING THE 29TH AGM.
 - c. The Corporate Members / Institutional Members (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body Resolution / Authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorisation shall be sent to the Scrutiniser by e-mail through its registered e-mail address to kjr@mdassociates.co.in with a copy marked to our new Registrar and Transfer Agent (RTA) investor@cameoindia.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_Event No."
 - d. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of 29th AGM along with the Annual Report for the FY 2023-24 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report for FY 2023-24 will also be available on the Company's website at www.wabag.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of our Registrar and Transfer Agent at www.cameoindia.com. This AGM notice shall be disseminated on the website of CDSL (agency appointed for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. www.evotingindia.com.
 - e. The register of Members and share transfer books will remain closed from **Wednesday, August 07, 2024 to Wednesday, August 14, 2024 (both days inclusive)** for the 29th AGM scheduled to be held on Wednesday, August 14, 2024.
 - f. The scanned copy of Registers prescribed under the Act and relevant documents referred to in the accompanying notice may be accessed by the Members for inspection upon log-in into www.evotingindia.com.
 - g. Since the AGM will be held through VC/OAVM facility, the route map of the venue is not annexed to this notice.
 - h. Central Depository Services (India) Limited ("CDSL") will be providing the facilities for remote e-Voting, for AGM participation through VC/OAVM mode and e-Voting during the 29th AGM. For this purpose, the Company has entered into an agreement with CDSL for facilitating voting through electronic means, as the authorized

e-voting agency. The facility of casting votes by a Member using remote e-voting as well as the e-voting system during the AGM will be provided by CDSL.

- i. The Members may join the 29th AGM through VC/OAVM mode by following the procedure as mentioned in point No. 12, which shall be kept open for the Members from 3.30 P.M. (IST) i.e. thirty (30) minutes before the scheduled time to start the 29th AGM and the Company may close the window for joining the VC/OAVM facility thirty (30) minutes after the scheduled time to start the 29th AGM.
- j. The Members may note that the facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Members holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- k. Attendance of the Members participating in the 29th AGM through VC/OAVM facility shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- l. In case of joint holder(s), the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company as on the cut-off date are entitled to vote.
- m. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of SEBI LODR read with MCA Circulars and SEBI Circulars, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 29th AGM and facility for those Members participating in the 29th AGM to cast vote through e-Voting system during the 29th AGM.

4. **The Members holding shares in electronic form are requested to intimate immediately for any change in their address or bank mandates to their Depository Participants (DPs) with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise for any change in their address or bank mandates immediately to the Company / Cameo Corporate Services Limited (hereinafter referred to as "Cameo" or "RTA"). The said changes related to physical shares to be intimated in prescribed Form ISR -1 and other forms pursuant to**

SEBI circulars nos. Master Circular No. SEBI/HO/MIRSD/SECFATF/P/ CIR/2023/169 dated October 12, 2023, SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2021/655 dated November 3, 2021, etc. as per instructions mentioned in the form. The said forms can be downloaded from the Company's website www.wabag.com.

5. **Transfer of Unclaimed Dividend amounts to the Investor Education and Protection Fund (IEPF):**

Pursuant to sections 124, 125 and other applicable provisions of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules"), (including any statutory modification(s) and or re-enactment(s) thereof for the time being in force), dividends, unpaid or unclaimed for a period of seven (7) years from the date of declaration by the Company, are required to be transferred by the Company to the IEPF established by the Central Government. Further, according to the said IEPF Rules, shares in respect of which dividend has not been claimed by the Members for seven (7) consecutive years shall also be transferred to the demat account of the IEPF.

During the FY 2023-24, the Company has transferred to the IEPF Authority, the unclaimed dividend for the FY 2015-16 amounting to INR 1,23,660/- pertaining to 595 Members and 1,404 shares pertaining to 45 Members in respect of whom dividend had remained unclaimed for seven (7) consecutive years.

The unclaimed dividend amounts and unclaimed shares which have been transferred to the IEPF Authority account during the year can be claimed by the Members concerned from the IEPF Authority after complying with the procedure prescribed under the IEPF Rules. The details of the unclaimed dividends and shares transferred to IEPF are also available on the Company's website at www.wabag.com and the said details have also been uploaded on the website of the IEPF Authority (www.iepf.gov.in).

In accordance with the aforesaid IEPF Rules, the Company has been sending reminder letters and / or other communication to all Members having unclaimed / unpaid dividend(s) and share(s) before transfer of such dividend(s) and share(s) to the IEPF Authority. Members who wish to claim dividends, which remain unclaimed / unpaid, are requested to either correspond with the Corporate Secretarial Department at the Company's registered office or the Company's RTA for revalidation and en-cash them before the unclaimed amount / shares transferred to IEPF Authority.

The details of such unclaimed dividends of previous years are also available on the Company's website at www.wabag.com. Pursuant to the provisions of the IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the

details of unpaid/unclaimed amounts lying with the Company as on March 31, 2024 on the website of the Company www.wabag.com and such details available with the Ministry of Corporate Affairs.

Registrar and Transfer Agent (“RTA”)

The Board of Directors of the Company at their meeting held on February 09, 2024 had approved the appointment of Cameo Corporate Services Limited, Chennai having the SEBI Registration no: INR000003753, an ISO / IEC 27001:2013 certified, leading Category I Registrar and Share Transfer Agent as the new RTA for the equity shares in place of KFin Technologies Limited, Hyderabad pursuant to Regulation 7 of the SEBI LODR. The said change shall be effective from shifting of the electronic connectivity of both depositories to Cameo Corporate Services Limited i.e. from July 01, 2024.

6. The SEBI had mandated the submission of PAN, nomination, contact details, Bank account details and Specimen signature for their corresponding folio numbers by holders of physical securities by October 1, 2023, and linking PAN with Aadhaar by June 30, 2023 vide its circular dated March 16, 2023. Members are requested to submit their PAN, KYC and nomination details to the Company's RTA. Members holding shares in electronic form are therefore requested to submit their PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company/RTA.

As per earlier requirement, in case a holder of physical securities fails to furnish PAN, nomination, contact details, Bank account details and Specimen signature for their corresponding folio numbers before October 1, 2023 or link their PAN with Aadhaar before June 30, 2023, in accordance with the SEBI circular dated March 16, 2023, RTA is obligated to freeze such folios.

The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents mentioned above. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and/or the Prevention of Money Laundering Act, 2002.

Further, the SEBI vide its circular No. SEBI/HO/MIRSD/POD-1/CIR/2023/181 dated November 17, 2023 has decided to do away with the provisions relating to freezing of folios and referring frozen folios to the administering authority under the Benami Transactions (Prohibitions) Act, 1988 and / or the Prevention of Money Laundering Act, 2002, to mitigate unintended challenges.

7. The Members holding shares in single name and in physical form are advised to make nomination in respect of their shareholding in the Company. As per the provisions of Section

72 of the Act, the facility for making nomination is available for the Members. The nomination form can be downloaded from the Company's website www.wabag.com under the section 'Investor Relations'. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in Form ISR-3 or SH-14 as the case may be. The said form can be downloaded from the Company's website www.wabag.com. Members are requested to submit the said details to their DP in case the shares are held by them in dematerialized form and to the Company's RTA in case the shares are held in physical form, by quoting their folio number.

8. Non-Resident Indian Members are requested to inform Company / RTA immediately of:
 - i. Change in their residential status upon return to India for permanent settlement.
 - ii. Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
9. The Company is concerned about the environment and utilises natural resources in a sustainable way. Members who have not registered their e-mail IDs so far, are requested to register their e-mail IDs for receiving all communications including Annual Report, notices, etc., from the Company electronically. Members who require communication in physical form, in addition to electronic mode, may write to the Company at companysecretary@wabag.in or raise request with the RTA at <https://wisdom.cameoindia.com/>.
10. SEBI vide its notification No. SEBI/LAD-NRO/GN/2022/66 dated January 24, 2022, as amended Regulation 40 of the SEBI LODR pursuant to which the requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialised form with a depository. Further, the transmission or transposition of securities held in physical or dematerialised form shall be effected only in dematerialised form.

However, it is clarified that, Members can continue holding shares in physical form. Transfer of shares in demat form will facilitate convenience and ensure safety of transactions for the Members.

The Members holding shares in physical form are requested to convert their holding(s) to dematerialized form to eliminate all risks associated with physical shares.

The Members may please note that the SEBI vide its Circular nos. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 and SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/70 dated May 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests, viz., issue of duplicate securities certificate; claim from unclaimed suspense account; renewal / exchange of securities

certificate; endorsement; sub-division / splitting of securities certificate; consolidation of securities certificates / folios; transmission and transposition.

Accordingly, the Members are requested to make service requests by submitting a duly filled and signed Form ISR-4. The said Form can be downloaded from the Company's website www.wabag.com.

The SEBI vide Circular nos. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated July 31, 2023 (updated as on December 20, 2023) and SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.

Pursuant to the above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA / Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR portal <https://smartodr.in/login>.

11. The business set out in the notice will be transacted through electronic voting system (e-Voting) and the Company is providing facility for voting by electronic means. Instructions and other information relating to e-voting are as under:

- i. Pursuant to the provisions of Section 108 and other applicable provisions, if any, of the Act, and the Companies (Management and Administration) Rules, 2014, as amended from time to time and Regulation 44 of the SEBI LODR and in terms of SEBI vide circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting facility provided by listed entities, the Company is pleased to provide to its Members the facility to cast their votes electronically, through the e-Voting services provided by CDSL, on all the resolutions set forth in this notice. The instructions for e-Voting are given below. The Members may cast their votes using an electronic voting system from a place other than the venue of the Meeting ('remote e-voting').
- ii. However, pursuant to SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by the Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting Service Provider (ESP) thereby not only facilitating seamless authentication but also ease

and convenience of participating in e-Voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

- iv. The remote e-Voting period commences on **Thursday, August 08, 2024 from 5.00 P.M. (IST) and ends on Tuesday, August 13, 2024 at 5.00 P.M. (IST)**. During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on the **cut-off date i.e., Wednesday, August 07, 2024**, may cast their votes electronically. A person who is not a Member as on the cut-off date should treat this notice for information purposes only. The remote e-Voting module shall be blocked for voting thereafter. Once the vote on a resolution(s) is casted by the Member, the Member shall not be allowed to change it subsequently.
- v. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member / Beneficial owner (in case of electronic shareholding) as on the cut-off date i.e. Wednesday, August 07, 2024. In other words, a person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting and voting during the AGM.
- vi. Any Member holding shares in physical form and non-individual Members, who acquires shares of the Company and becomes a Member of the Company after sending of the notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cDSLindia.com. However, if he/she is already registered with RTA for remote e-Voting then he/she can use his/her existing User ID and password for casting the vote.
- vii. In case of Individual Members holding shares in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the notice and holding shares as of the cut-off date may follow steps mentioned under "Login method for remote e-Voting" and "joining virtual meeting for Individual Members holding securities in demat mode".
- viii. The Board of Directors of the Company has appointed Mr. M. Damodaran, Managing Partner or in his absence Mrs. J. Kalaiyarasi, Partner of M/s M. Damodaran & Associates, LLP, Practicing Company Secretaries, Chennai as the scrutiniser to scrutinise the remote e-voting and voting at the AGM in a fair and transparent manner. They had communicated their willingness to be appointed and will be available for the same.
- ix. The scrutiniser, after scrutinising the votes casted through remote e-voting and during the AGM will make a consolidated scrutiniser's report and submit the same

to the Chairman. The results shall be filed with the stock exchanges within two (2) working days from the conclusion of the AGM. The results declared along with the consolidated scrutiniser's report shall be placed on the website of the Company www.wabag.com and on the website of CDSL at www.evotingindia.com.

- x. Subject to receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of AGM, i.e. **Wednesday, August 14, 2024.**

12. Procedure for Remote E-Voting

- i. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Regulation 44 of the SEBI Listing Regulations and in terms of SEBI vide circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting facility provided by listed entities, the Members are provided with the facility to cast their votes electronically, through the e-Voting services provided by CDSL, on all the resolutions set forth in this notice. The instructions for e-Voting are given herein below.
- ii. However, pursuant to SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the **individual demat account holders**, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process.
- iii. Individual demat account holders would be able to cast their vote without having to register again with the e-Voting service provider (ESP) thereby not only facilitating seamless authentication but also ease and convenience of participating in e-Voting process. Members are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.
- iv. The voting rights of Members shall be in proportion to their shareholding in the paid-up equity share capital of the Company as on the cut-off date.

INSTRUCTIONS TO THE MEMBERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual Members holding shares in demat mode.

Step 2: Access through CDSL e-Voting system in case of Members holding shares in physical mode and non-individual Members in demat mode.

- (i) The voting period begins on **Thursday, August 08, 2024 from 5.00 P.M. (IST) and ends on Tuesday, August 13, 2024 at 5.00 P.M. (IST)**. During this period Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Wednesday, August 07, 2024, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Members who have already voted prior to the AGM date would not be entitled to vote during the AGM.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its Members, in respect of all Members' resolutions. However, it has been observed that the participation by the public non-institutional Members / retail Members is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the Members.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts / websites of Depositories / Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

Step 1: Access through Depositories CDSL/NSDL e-Voting system in case of individual Members holding shares in demat mode.

- (iv) In terms of SEBI circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by listed companies, Individual Members holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Members are advised to update their mobile number and e-mail Id in their demat accounts in order to access e-Voting facility.

Details on Step 1 are mentioned below:

I) Login method for e-Voting and joining virtual meetings for Individual Members holding securities in Demat mode with CDSL/NSDL is given below.

Type of Members	Login Method
Individual Members holding securities in Demat mode with CDSL Depository	1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab.
	2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by Company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.
	3) If the user is not registered for Easi/Easiest, option to register is available at CDSL website www.cdslindia.com and click on login & New System Myeasi Tab and then click on registration option.
	4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & E-mail as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Members holding securities in demat mode with NSDL Depository	1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on Company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
	2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com . Select "Register Online for IDeAS" "Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp
	3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Members (holding securities in demat mode) login through their Depository Participants (DP)	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on Company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Members holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33
Individual Members holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000

Step 2: Access through CDSL e-Voting system in case of Members holding shares in physical mode and non-individual Members in demat mode, as given below

(v) Login method for e-Voting and joining virtual meetings for **Physical Members and Members other than individual holding in Demat form.**

- 1) The Members should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any Company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical Members and other than individual Members holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat Members as well as physical Members). <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or Company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders

for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- (ix) Click on the EVSN for the relevant **VA TECH WABAG LIMITED** on which you choose to vote.
- (x) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiii) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) There is also an optional provision to upload Board Resolutions / POA if any uploaded, which will be made available to scrutinizer for verification.
- (xvii) **Additional Facility for Non – Individual Members and Custodians – For Remote Voting only.**
- Non-Individual Members (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
 - It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non-Individual Members are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer at kjr@mdassociates.co.in and to the Company at the e-mail address viz. companysecretary@wabag.in (designated e-mail address by Company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

INSTRUCTIONS FOR MEMBERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Members who have voted through Remote e-Voting will be eligible to attend the 29th AGM. However, they will not be eligible to vote at the AGM.
4. Members are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that participants connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
7. Members who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **3 days prior to the 29th AGM i.e., till Saturday August 10, 2024** mentioning their name, demat account number/folio number, e-mail id, mobile number at companysecretary@wabag.in.

Members who do not wish to speak during the AGM but have queries may send their queries in advance atleast **8 days prior to the 29th AGM i.e. till Monday, August 05, 2024** mentioning their name, demat account number/folio number, e-mail id, mobile number at companysecretary@wabag.in. These queries will be replied to by the Company by e-mail or answered during the AGM suitably.

8. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
9. Only those Members, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any votes are cast by the Members through the e-voting available during the AGM and if the same Members have not participated in the meeting through VC/OAVM facility, then the votes cast by such Members may be considered invalid as the facility of e-voting during the meeting is available only to the Members attending the meeting.

PROCESS FOR THOSE MEMBERS WHOSE EMAIL/MOBILE NUMBER ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.

1. **For Physical Members** - Please provide necessary details like Folio No., Name of Shareholder, scanned copy of the

share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAAR (self-attested scanned copy of Aadhaar Card) by e-mail to **Company/RTA e-mail id**.

2. **For Demat Members** - Please update your e-mail id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat Members – Please update your e-mail id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an e-mail to helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an e-mail to helpdesk.evoting@cdslindia.com or call toll free no. 1800 22 55 33.

Explanatory Statement as required under Section 102(1) of the Companies Act, 2013 (“the Act”)

The following statements sets out all material facts relating to certain ordinary business and all special business mentioned in the accompanying notice of the 29th AGM:

Item No. 2:

Appointment of Mr. S. Varadarajan (DIN:02353065) as a Director, liable to retire by rotation

As per the provisions of Section 152(6) of the Act and Article 108 of the Articles of Association of the Company, not less than one-third of the Directors, who are liable to retire by rotation, shall retire and being eligible offer themselves for re-appointment at the Annual General Meeting (AGM) of the Company. The Directors to retire by rotation at every AGM shall be those who have longest in office since their last appointment. Mr. S. Varadarajan (DIN:02353065) was appointed as the Whole Time Director & Chief Growth Officer by the Members at the 28th AGM of the Company held on August 11, 2023 for a term of five (5) years commencing from June 01, 2023 upto May 31, 2028 and the remuneration payable to him is in accordance with the terms and conditions approved by the Members at the said AGM.

As per the provisions of Section 149(13) of the Act, the Independent Directors of the Company shall not be liable to retire by rotation. The Managing Director of the Company shall also not be liable to retire by rotation. Hence, in order to comply with the provisions of Section 152(6) of the Act, Mr. S. Varadarajan, Whole Time Director & Chief Growth Officer of the Company, is the Director liable to retire by rotation and being eligible offers himself to get re-appointed at this AGM by way of an Ordinary Resolution.

The Company has received from Mr. S. Varadarajan the consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and intimation in Form DIR-8 in terms of the Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and is not debarred from holding the office of Director by virtue of any order of the Securities and Exchange Board of India (SEBI) or any other such authority.

Pursuant to Section 152 and other applicable provisions, if any, of the Act and the Rules made thereunder, the resolution as set out at Item No. 2 seeks the approval of the Members for the appointment

of Mr. S. Varadarajan as a Director in the capacity of Whole Time Director & Chief Growth Officer, retiring by rotation.

Except Mr. S. Varadarajan, being the appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 2 of the accompanying notice. Mr. S. Varadarajan is not related to any Director and Key Managerial Personnel of the Company and he is also one of the Promoter of the Company.

The Board recommends the Ordinary Resolution set out at Item No. 2 of the notice for approval of the Members.

Profile of Mr. S. Varadarajan:

Mr. S. Varadarajan joined the Company in January 1997 as a Senior Manager – Finance cum Company Secretary and handled various key positions including Chief Financial Officer prior to his appointment as the Whole Time Director & Chief Growth Officer of the Company.

During the last 27 years of his service in the Company, he played an active role in demerger of the Company and was part of the management team that carried out management buyout in the year 2005.

He played an active role in formation of four (4) Strategic Business Units (SBU's) in the Company in the year 2007 and took additional charge as SBU Head for O&M business of the Company for few years. He also played active role in the reverse acquisition of the erstwhile parent Company in Austria in the year 2007 and was instrumental in successful listing of the Company in the Indian bourses in the year 2010.

In the past, Mr. S. Varadarajan was overseeing Corporate Service functions like Finance, Human Resources, IT, Treasury, Legal, Secretarial and General Administration. He is one of the Promoters of the Company, as on date.

Mr. S. Varadarajan is currently the Chief Growth Officer and works closely with leadership in different geographies on people strategy, facilitate cultural changes & break orthodoxies. He also Heads the Capital Projects business for the Company.

Mr. S. Varadarajan is a Graduate in Commerce and Post Graduate in Public Administration. Mr. S. Varadarajan is also an Associate Member of the Institute of Cost and Management Accountants of India and the Institute of Company Secretaries of India with over 38 years of experience. He was honoured with CFO-100 Award for three (3) years consecutively for his achievements by CFO India magazine.

Mr. S. Varadarajan is a speaker in different forums and has received many awards too. He actively associates with many forums like Confederation of Indian Industry (CII), Madras Chamber of Commerce & Industry (MCCI), The Indus Entrepreneurs (TIE), etc.

Mr. S. Varadarajan does not hold Directorships in any other Companies in India.

Item No. 3

Re-appointment of Mr. Rajiv Mittal (DIN: 01299110) as the Chairman and Managing Director of the Company

Mr. Rajiv Mittal, (DIN: 01299110), aged-64 years was last re-appointed as the Managing Director & Group CEO of the Company for the period from October 1, 2020 till March 31, 2025, by the Members of the Company at the 25th Annual General Meeting (AGM) held on September 23, 2020 at the same remuneration as approved by the Members at their 20th AGM held on July 27, 2015.

Subsequently, the NRC and Board at their meetings held on March 26, 2022 had approved the re-designation of Mr. Rajiv Mittal as the Chairman of the Board with immediate effect. Further, the NRC and Board at their meetings held on December 07, 2022 had recommended and approved the re-designation of Mr. Rajiv Mittal as the Chairman and Managing Director (KMP) of the Company with immediate effect.

The Members may please note that the existing tenor of Mr. Rajiv Mittal as the Managing Director will be ending on March 31, 2025, who is also the Chairman of the Board and one of the Promoter of the Company.

Mr. Rajiv Mittal is eligible for re-appointment as the Chairman and Managing Director (CMD) of the Company for a term upto a maximum period of five (5) years and he has provided his consent for the same and is not debarred from holding the office of Director by virtue of any order of the Securities and Exchange Board of India (SEBI) or any other such authority.

In recognition of his contribution to the performance of the Company and other factors and based on the performance evaluation, the Nomination and Remuneration Committee at its meeting held on May 21, 2024 had considered and recommended the said proposal of re-appointment to the Board of Directors ("the Board") for its consideration and approval. Further, the Board at its Meeting held on May 21, 2024 has considered and approved the said re-appointment with the following terms and conditions including the remuneration:

The particulars of the terms of the proposed re-appointment and remuneration payable to Mr. Rajiv Mittal as the Chairman and Managing Director (CMD) are as under:

Particulars	Proposed Remuneration
Basic Salary Per Month (pm)	Fixed Pay
Special /Additional Allowance (pm)	[including Basic Salary and Perquisites (viz. special/ additional allowance and HRA/Company Leased Accommodation)] be paid for an amount maximum not exceeding INR 35.00 Lakhs per month for the period of five (5) years w.e.f. April 01, 2025 till March 31, 2030
HRA /Company Leased Accommodation (pm)	
Medical Expenses Reimbursement	Expenses incurred for the CMD and his family as per the Company's Rules
Life Insurance / Personal Accident Insurance	Premium as per the Company's Rules
Leave Travel Concession	For the CMD and his family as per the Company's Rules
Encashment of leave, contribution to various statutory funds, provision of car and telephone at the CMD's residence for his use, other amenities and benefits	As per the Company's Rules
Performance Pay	Performance pay be paid for an amount maximum not exceeding INR 4.00 Crores per annum for the period of five (5) years w.e.f. April 01, 2025 till March 31, 2030
Other Allowances / Perquisites	Uniform, Child / educational and other allowances are as per the Company Policies. Perquisites are as per the limits of law and Company policies

Pursuant to the provisions of Regulation 17(6)(e) of the SEBI (LODR) Regulations, 2015, the aforesaid annual remuneration payable to the CMD (being the Executive Director and promoter of the Company) shall not exceed in any case 5% of the net profits of the Company. In the event of loss or inadequacy of profits in any financial year, during the tenure of the CMD, the Company shall pay him, in respect of such financial year, remuneration as per the limits prescribed under Schedule V of the Companies Act, 2013, as amended from time to time, with necessary approvals.

The above perquisites and allowances shall be evaluated, wherever applicable, as per the provisions of Income Tax Act, 1961 or any rules made thereunder or any statutory modification(s) and/ or re-enactment thereof, including any amendments for the time being in force, and in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. The Company's contribution to provident fund, superannuation or annuity fund, to the extent these singly or together are not taxable under the Income Tax law, gratuity payable and encashment of leave, as per rules of the Company and to the extent not taxable under the Income Tax law, shall not be included for the purpose of computation of the overall ceiling of remuneration. Expenses incurred for travelling, boarding and lodging including for his spouse and attendant(s) during business trips, any medical assistance provided including for his family members and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.

The Chairman and Managing Director will perform his duties as such with regard to all work of the Company and he will manage and attend to such business and carry out the orders and directions given by the Board from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board and the functions of the Chairman and Managing Director will be under the overall authority and supervision of the Board.

The Chairman and Managing Director shall act in accordance with the laws / Regulations / Rules as applicable to the Company and shall abide by the provisions of the Act, including Section 166 of the said Act and SEBI LODR, as applicable, with regard to duties of Directors.

The Chairman and Managing Director shall adhere to the Company's Code of Conduct for Directors and other Code(s)/ Policies of the Company as applicable for his role.

The office of the Chairman and Managing Director may be terminated by the Company or the Chairman and Managing Director himself by giving six (6) months' prior notice in writing to the Board.

Mr. Rajiv Mittal satisfies all the conditions set out in Part-I of Schedule V to the Act and also conditions set out under Section 196(3) of the Act for his re-appointment. He is not disqualified from being re-appointed as a Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Rajiv Mittal under Section 190 of the Act.

Brief Profile of Mr. Rajiv Mittal, nature of his expertise in specific functional areas, names of companies in which he holds Directorship and Membership/Chairmanship of Board Committees, shareholding and relationships amongst Directors inter-se as stipulated under Regulation 36(3) of the SEBI LODR and Secretarial Standard - 2 are provided in this notice.

As contained in Article 108 of the Articles of Association of the Company, Mr. Rajiv Mittal will not be liable to retire by rotation, during his tenure of re-appointment. Mr. Rajiv Mittal is interested in the said resolution at Item No. 3 of the Notice, as the said item relates to his re-appointment.

Brief profile of Mr. Rajiv Mittal:

- Mr. Rajiv Mittal, was originally appointed as the Managing Director of the Company, by the Board of Directors at their meeting held on September 27, 2000. Further, he was re-appointed as the Managing Director for every five (5) years by the NRC/Board/Members;
 - During May 2014, in recognition of his contribution to the performance of the Company and other factors, the Committee had re-designated Mr. Rajiv Mittal as the "Managing Director & Group CEO" and revised his terms and conditions of appointment, which got approved by the Members of the Company at its 19th AGM held on July 21, 2014;
 - Mr. Mittal holds a degree in Chemical Engineering from the University of Mumbai, Department of Chemical Technology (UDCT) and is a Fellow of the International Water Association and Corporate Member of the Indian Desalination Association;
 - Mr. Mittal has experience over 4 decades, and has dedicated himself to the Water industry with a special focus on Sustainability. He has advocated sustainable use of water; leveraging alternative sources of water such as sea water & used water; efficient wastewater treatment, water recovery and reclamation. He has also been very vocal in promoting advanced technologies for water treatment solutions for municipalities and industries at an affordable price;
 - Mr. Rajiv Mittal started his career with Dorr Oliver and later worked with John Brown Engineering, Glasgow. He then joined WABAG, UK and was deputed to India to set up a Strategic Business Unit in Water in 1996.
- **Under his visionary leadership, WABAG:**
 - Evolved into a true Indian multinational, ranked among the Top 3 Global Water Players by GWI for benefiting over 88.8 million people globally;
 - Emerged as the preferred partner for achieving water sustainability, leveraging alternative water sources: Desalination & Water Reuse to boost water supply;
 - Pioneered the concept of wastewater treatment with power neutral model and re-demonstrated at the 140 MLD Sewage treatment plant under Namami Gange at Varanasi;
 - Expanded its global footprint with presence across 4 Continents and projects in over 25 Countries;
 - Reinforced its technological excellence: R&D centres in India and Europe and over 125 IP Rights;
 - Masterminded the Management Buyout of WABAG India in 2005;
 - Orchestrated historical Reverse Acquisition of erstwhile parent WABAG Group from Siemens in 2007;
 - Successful listing on the BSE and NSE in 2010.
 - **Global accolades in Mr. Mittal's illustrious career as under:**
 - Conferred with IWA Fellow by the International Water Association – 2022;
 - Global Asian of the Year by AsiaOne Magazine – 2022;
 - World Top 20 Most Transformative Leaders in Water Sector by GWI – 2021;
 - Top 3 Most Influential Global Water leaders by WWI (UK) in successive years - 2017 & 2018;
 - Top 100 CEOs of India and 4th in the Infra & Engineering Sector by BT-PWC – 2018;
 - Lifetime Achievement Award by Indian Desalination Association for contribution to the water and desalination industry and entrepreneurial excellence – 2015;
 - 'Eminent Engineering Personality' Award by the Institution of Engineers India – 2018.

Except Mr. Rajiv Mittal, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the accompanying notice of the 29th AGM. Mr. Rajiv Mittal is not related to any Director and Key

Managerial Personnel of the Company and he is also one of the Promoter of the Company.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the notice for approval of the Members.

Item No. 4

Re-appointment of Mr. Amit Goela (DIN: 01754804) as a Non – Executive Non - Independent Director

Mr. Amit Goela, (DIN: 01754804) was originally appointed as an Additional Director in the category of Non-Executive Non-Independent Director of the Company, by the Board of Directors at their meeting held on July 19, 2021 and the Members of the Company had regularized and approved the said appointment for a period of three (3) years w.e.f. July 19, 2021 upto July 19, 2024, liable to retire by rotation, entitled to receive Non-Executive Director remuneration as approved by the Members at the 19th AGM held on July 21, 2014.

In recognition of his contribution to the performance of the Company and other factors and based on the performance evaluation, the Nomination and Remuneration Committee at its meeting held on May 07, 2024 recommended and the Board of Directors at its meeting held on May 21, 2024 had approved the re-appointment of Mr. Amit Goela (DIN:01754804) as a Director in the category of Non – Executive Non - Independent Director of the Company for a period of five (5) years with effect from July 20, 2024 till July 19, 2029, subject to the approval of the Members of the Company, with the below terms and conditions.

The Company has received Notice in writing under the provisions of Section 160 of the Act, from a Member proposing the candidature of Mr. Amit Goela as the Non – Executive Non - Independent Director to be re-appointed under the provisions of Section 149 of the Act and Regulation 17 of the SEBI LODR.

The Company has received from Mr. Amit Goela the consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, and intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and is not debarred from holding the office of Director by virtue of any order of the Securities and Exchange Board of India (SEBI) or any other such authority.

Pursuant to Section 149 and other applicable provisions of the Act, Rules made thereunder and SEBI LODR, the resolution as set out at Item No. 4 seeks the approval of the Members for the re-appointment of Mr. Amit Goela (DIN:01754804) as a Non-Executive Non-Independent Director of the Company for a period of five (5) years with effect from July 20, 2024 till July 19, 2029. He

will be liable to retire by rotation. Mr. Amit Goela will be entitled to receive Non-Executive Director remuneration as approved by the Members at the 19th AGM held on July 21, 2014, in addition to the sitting fee for attending the meetings of the Board of Directors and/ or Committees thereof, as the Board of Directors may from time to time determine, not exceeding in aggregate one (1) percentage of the net profits of the Company for each financial year, as computed in the manner laid down in Section 198 of the Companies Act, 2013, or any Statutory modification(s) or re-enactment thereof. During the FY 2023-24, the Independent Directors and the Non-Executive Non-Independent Director are paid an amount of INR 18,00,000/- each per annum as the Commission duly approved by the NRC and Board of Directors, from time to time.

In the opinion of the Board, Mr. Amit Goela, the Non-Executive Non-Independent Director, proposed to be re-appointed, fulfils the conditions specified in the Act and the Rules made thereunder. A brief profile of Mr. Amit Goela, nature of his expertise in specific functional areas, names of companies in which he holds Directorship and Membership/chairmanship of Board Committees, shareholding and relationships amongst Directors' inter-se, as stipulated under SEBI LODR and the Act, are provided in this Notice. A copy of the draft letter for the appointment of Mr. Amit Goela, as a Non-Executive Non-Independent Director setting out the terms and conditions is available for inspection without any fee by the Members at the website of the Company www.wabag.com.

Profile of Mr. Amit Goela:

Mr. Amit Goela has a distinguished profile in the Indian Financial and Securities market with over 30 years of experience. He has worked with several leading corporate houses on strategy planning and investments. He is currently part of the management team of Rare Enterprises.

Mr. Goela has been an advisor for various companies in the areas of macro-economics, equity research, both public and private markets, corporate restructuring, investments and arrangements including mergers and acquisitions and advisory for stakeholder value creation. He is currently on the board of various companies in India. He is an MBA in finance from the University of North Florida and gains international experience.

Except Mr. Amit Goela, being an appointee, none of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item No. 4 of the accompanying notice of the 29th AGM. Mr. Amit Goela is not related to any Director and Key Managerial Personnel of the Company.

The Board recommends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

Item No. 5

Ratification of remuneration payable to the Cost Auditor for the Financial Year 2023-24

The Board, based on the recommendation of the Audit Committee, had approved the re-appointment of Mr. K. Suryanarayanan, Practicing Cost Accountant (Membership No.24946) as the Cost Auditor including his remuneration to conduct the audit of cost records of the Company for the FY 2023-24.

In accordance with the provisions of Section 148 of the Act, read with the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration payable to the Cost Auditor has to be ratified by the Members of the Company.

Accordingly, the consent of the Members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the notice for ratification for the remuneration payable to the Cost Auditor for the financial year ended March 31, 2024.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolution at Item No. 5 of the accompanying notice.

The Board recommends the Ordinary Resolution set out at Item No. 5 of the notice for approval by the Members.

Item Nos. 6 & 7

Increase in the Borrowing limits of the Company and Increase in limits for creation of charges on the assets of the Company

Pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013, the Board of Directors of the Company could, with the consent of the Members by a Special Resolution, borrow monies of such sum as may be approved by the Members, apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business, in excess of the aggregate of the paid up capital and free reserves and securities premium of the Company from time to time that is to say reserves not set apart for any specific purpose.

Also, under the provisions of Section 180(1)(a) of the Companies Act, 2013, the Board of Directors of a Company could, with the consent of the Members by a Special Resolution, create charge / mortgage / hypothecation on the Company's assets, both present and future, in favour of the lenders / trustees for the holders of debentures / bonds, to secure the repayment of moneys borrowed (including temporary loans obtained from the Company's Bankers in the ordinary course of business).

The Members of the Company at their 22nd AGM held on July 27, 2017, authorised the Board of Directors (which term shall be deemed to include any Committee of the Board) to borrow money(ies) on behalf of the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) and for creation of charge on movable and immovable properties of the Company as security in favour of lending agencies for a sum not exceeding INR 5,000 Crores (Indian

Rupees Five Thousand Crores only), or aggregate of the paid-up share capital and free reserves and securities premium of the Company from time to time whichever is higher. Keeping in view your Company's business requirements and growth plans, it is considered desirable to increase the said borrowing limits under the provisions of Section 180(1)(c) of the Companies Act, 2013.

The Members may kindly note that during the last seven (7) years the Order Book has grown from ~ INR 8,200 Crores to INR 11,500 Crores and the Company has optimally operated without any increase in the Borrowing Limits.

Considering the significant growth expected in the Order Book driven by business opportunities both in the domestic and international geographies, the Board intends to raise the borrowing limits from the current INR 5,000 Crores to INR 6,000 Crores. This enhancement of limits will enable the Company to avail banking limits to meet the guarantee and other working capital requirements for the future business growth.




The proposed enhancement is mainly in the form of non-fund based limits. In this connection, it is proposed to seek the approval of the Members by way of a special resolution to enable the Directors to borrow monies, provided that the total amount so borrowed (both fund based & non-fund based) shall not at any time exceed INR 6,000 Crores (Indian Rupees Six Thousand Crores only) or the aggregate of the paid-up capital and free reserves and securities premium of the Company from time to time, whichever is higher.

The increase in the limits of borrowings of the Company may, if necessary, be secured by way of mortgages, charges and hypothecation on the Company's movable / immovable assets present and future, in favour of the financial institutions / banks / non-banking financial companies / insurance companies / other investing agencies / trustees for the holders of debentures / bonds / other instruments as detailed in the notice, it is necessary for the Members to pass a special resolution for creation of mortgages, charges and hypothecation to secure such borrowings of the Company, Subsidiaries and/or Associate companies.

Due to the above, it is proposed to seek Members' consent by way of Special Resolutions under Section 180(1)(c) of the Act for both fund based and non-fund based borrowings not exceeding INR 6,000 Crores (Indian Rupees Six Thousand Crores only) or the aggregate of the paid-up capital and free reserves and securities premium of the Company time to time whichever is higher and under Section 180(1)(a) of the Act for creation of charges/mortgages / hypothecations based on the above borrowing limits.

None of the Directors or Key Managerial Personnel of the Company or their relatives are concerned or interested in the resolutions at Item Nos. 6 and 7 of the accompanying notice. The Board recommends the Resolutions set out at Item Nos. 6 and 7 of the accompanying Notice for approval by the Members of the Company by way of Special Resolutions.

DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND APPLICABLE SECRETARIAL STANDARDS

Name of Director	Mr. Rajiv Mittal	Mr. S. Varadarajan	Mr. Amit Goela
			
DIN	01299110	02353065	01754804
Date of Birth	April 08, 1960	September 23, 1965	February 02, 1965
Age	64 Years	58 years	59 years
Date of first Appointment	September 27, 2000	June 24, 2015	July 19, 2021
Qualifications	Graduate in Chemical Engineering	B. Com, P.G. (Public Administration), CMA & CS	MBA
Nature of Expertise in specific functional area	Vast experience in Water industry	Finance and Accounts	Capital Market, Finance, Strategy and Planning
Brief Resume	Refer Explanatory Statement to Item No. 3	Refer Explanatory Statement to Item No. 2	Refer Explanatory Statement to Item No. 4
In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements	Not Applicable	Not Applicable	Not Applicable
Terms and condition of re-appointment including proposed remuneration	Refer Explanatory Statement to Item No. 3	Refer Explanatory Statement to Item No. 2	Refer Explanatory Statement to Item No. 4
Details of Remuneration for FY 2023-24	INR 4,12,12,765/-	INR 2,05,85,774/-	INR 18,00,000/-
Directorships in other companies (excluding foreign companies, & Section 8 companies)	NIL	NIL	1) Suryaamba Spinning Mills Limited 2) Roshni Agencies Private Limited 3) Race Ahead Properties Private Limited 4) Inventurus Knowledge Solutions Limited

Name of Director	Mr. Rajiv Mittal	Mr. S. Varadarajan	Mr. Amit Goela
			5) Hope Film Makers Private Limited 6) Rare Equity Private Limited 7) SNV Aviation Private Limited
Listed entities from which the Director has resigned in the past three (3) years	NIL	NIL	Multi Commodity Exchange of India Limited <i>(Date of Cessation -August 09, 2021)</i>
Membership of Committees/ Chairmanship in other Companies (Regulation 26(1) of SEBI LODR)	NIL	NIL	<p><u>Audit Committee</u></p> <ol style="list-style-type: none"> Suryaamba Spinning Mills Limited (Chairman) SNV Aviation Private Limited <p><u>Stakeholders Relationship Committee</u></p> <ol style="list-style-type: none"> Suryaamba Spinning Mills Limited (Chairman) Rare Equity Private Limited <p><u>Nomination and Remuneration Committee</u></p> <ol style="list-style-type: none"> Suryaamba Spinning Mills Limited (Chairman) Rare Equity Private Limited <p><u>Corporate Social Responsibility Committee</u></p> <ol style="list-style-type: none"> Suryaamba Spinning Mills Limited (Chairman) Inventurus Knowledge Solution Limited <p><u>Risk Management Committee</u></p> Rare Equity Private Limited
Membership of Committees/ Chairmanship in VA TECH WABAG LIMITED	<p>Member</p> <ol style="list-style-type: none"> Capital Allocation Committee Risk Management & Monitoring Committee 	<p>Member</p> <ol style="list-style-type: none"> Stakeholders Relationship Committee Risk Management & Monitoring Committee Corporate Social Responsibility Committee Sustainability Committee Capital Allocation Committee 	<p>Member</p> <ol style="list-style-type: none"> Audit Committee Nomination and Remuneration Committee Corporate Social Responsibility Committee

Name of Director	Mr. Rajiv Mittal	Mr. S. Varadarajan	Mr. Amit Goela
No. of Board Meetings attended during the year	7/7	7/7	7/7
No. of Equity Shares held:			
1) Own	97,09,406	21,85,762	NIL
2) Beneficial basis	NA	NA	NIL
Relationships between Directors inter-se	NIL	NIL	NIL

By Order of the Board of Directors of
VA TECH WABAG LIMITED

Anup Kumar Samal

Company Secretary & Compliance Officer
Membership No.: F4832

Date: May 21, 2024
Place: Chennai

Registered Office:

VA TECH WABAG LIMITED

"WABAG HOUSE", No.17,
200 Feet Thoraipakkam - Pallavaram Main Road,
Sunnambu Kolathur, Chennai - 600 117,
Tamil Nadu, India.
CIN - L45205TN1995PLC030231
E-mail: companysecretary@wabag.in
Website: www.wabag.com
Phone: 044 6123 2323
Fax: 044 6123 2324

Centenary
Edition



sustainable solutions. for a better life.

ripples *of impact*

Delivering sustainable
water solutions since 1924



VA TECH WABAG LIMITED
Annual Report 2023-24

Forward-looking statement

In this annual report, we have disclosed forward-looking information to enable the investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically produce/publish, may contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements would be fully realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. If known or unknown risks or uncertainties materialise, or if underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events and otherwise.

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Chennai - The Desalination Capital of India



Circularity for sustainability



Enhancing Water Security



Manufactured Water-Protecting Environment

The Board



M M

Rajiv Mittal
Chairman and
Managing Director



C C M
M M M

Milin Mehta
Independent
Director



M C C
M C

Vijaya Sampath
Independent
Director



M C M C
M M M

Ranjit Singh
Independent
Director



M M M

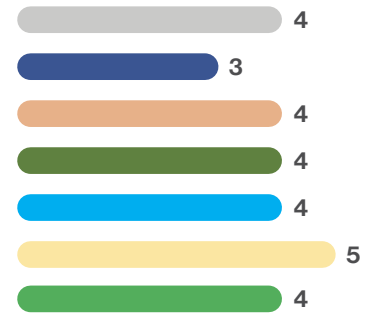
Amit Goela
Non Executive
Non Independent
Director



M M M
M M

S Varadarajan
Whole Time
Director & Chief
Growth Officer

Board Committees



- Audit Committee
 - Stakeholders' Relationship Committee
 - Nomination and Remuneration Committee
 - Risk Management and Monitoring Committee
 - Corporate Social Responsibility Committee
 - Capital Allocation Committee
 - Sustainability Committee
- C** Chairman **M** Member

Board of Directors



5

Male



1

Female

Board Composition



2

Executive Directors



3

Independent Directors



1

Non Executive Non
Independent Director

The Management



**Skandaprasad
Seetharaman**
Chief Financial
Officer



Shailesh Kumar
CEO, India Cluster



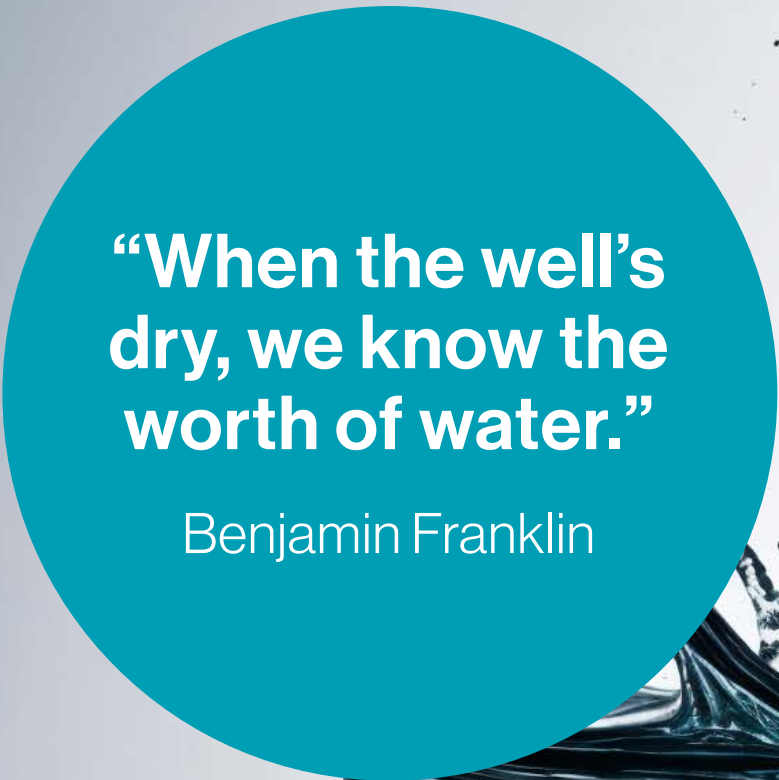
**Anup Kumar
Samal**
Company
Secretary &
Compliance
Officer



V. Arulmozhi
CFO, India Cluster



Mahmut Gedek
CEO, Europe
Cluster



**“When the well’s
dry, we know the
worth of water.”**

Benjamin Franklin

ripples *of impact*

At WABAG, we have endured and prospered across one hundred years.

Our impact and influence has widened across the globe.

- From the proximate to the distant.
- From the immediate to the enduring.
- From the reactive to the proactive.
- From vendorship to partnership.
- From the profitable to the sustainable.

These ripples of impact have progressively graduated us into an Indian multinational pure-play water technology solutions company.

We treat. We desalinate. We recycle. We conserve. We protect. We manufacture water.

In doing so, we enhance the availability and access of humankind's most precious natural resource for succeeding generations.

At the start of the second century of our existence, we remain committed to deepen our specialisation.

We will continue to leverage our resources – knowledge, managerial and financial – with the singular objective that our impact ripples across customers, communities and countries.

Part 01

What
we have
achieved in
100 years
of our
existence



100 years.

Climate changes. Government transitions. Fall of colonial empires. Change in social systems. Technology leaps. Population growth. Increased incomes. Redrawing of maps. Poverty decline. Increased life expectancy. Mergers, acquisitions and divestments. VA Tech WABAG has survived and grown across the biggest concentrated change in the history of humankind.

**Thank you all for contribution to our growth and development.
Your support has been invaluable.**

What we have achieved in **100 years of our existence**

A multi-decade endurance and growth in a vibrant sector born out of a clarity of purpose and presence.

Our objective

Our objective is to provide reliable access to safe and clean drinking water as well as to secure environmentally compatible treatment, re-use, of municipal and industrial wastewater.

We are committed to contribute in a sustainable manner to environmental protection and an enhanced quality of life.

This task drives us in the development of new technologies and the ongoing optimisation of existing processes with a focus on emerging markets.

The success of our efforts helps secure one of Earth's greatest treasures, the very basis of life — water.

Sustainable solutions. For a better life.

Our vision

WABAG shall be a professionally managed Indian Multinational having Market Leadership in Emerging Markets and significant position in the Global Market, both in the EPC and Service Sector of WATER business.

WABAG shall encourage and practice a culture of Caring, Trust and Continuous Learning while meeting Expectations of Employees, Stakeholders and Society.

WABAGites shall be an Innovative Entrepreneurial and Empowered Team committed to Total Customer Satisfaction and Value Creation.





How we have grown in the last 100 years

1924: Commencement of the water treatment business branded by WABAG (Wasser (Water) BA (BAU) (Construction) Gesellschaft (Company))

1939: WABAG's international footprint expanded with projects in Turkey, Prague, and Rio de Janeiro, showcasing expertise in chemical and water treatment for various industries

1940 : WABAG employed over 100 workers in Wroclaw; counted IG Farben as one of its major clients and commenced operations in Kulmbach (Germany)

1949 : WABAG focused on restoring non-functional facilities and restored the construction of initial concrete filters

1960: WABAG's successful trajectory continued, and in 1964, celebrated its 40th anniversary

1964 : WABAG designed and constructed approximately 95% of dam water treatment facilities, establishing a near-monopoly. Achieved annual revenues of 20 Million euros

1970: WABAG expanded its activities abroad, including Burma and the Far East; it commenced the development of flue gas desulphurisation treatment facilities in response to the demand of energy providers

1973: The 'Years in the Babcock Group' began

1980: WABAG supplied wastewater treatment equipment for flue gas desulfurisation systems in German power plants, resulting in significant contracts for water facilities in Republic of Congo. WABAG's

subsidiary Overhoff GmbH in Austria merged with Simmering Graz Pauker (SGP) Ag's environmental technology division

1996: WABAG's Asian arm in India aimed at expanding into the Southeast Asian Market. In 1996, Mr. Rajiv Mittal, was assigned to lead the endeavour, marking the expansion of WABAG's global footprint into Asia

1997: WABAG operations began in India. WABAG bagged the first order from Reliance Industries – our maiden breakthrough

2000: Bagged the first overseas order – Independent Power Utility Project for KHTP, Malaysia, and first municipal order of 34 MLD STP at Chennai for CMWSSB

2003: WABAG India crossed INR 100 Crore revenues mark

2004: WABAG India doubled its turnover to INR 200 Crore

2005: Management buyout was completed, a historic moment

2006: WABAG India celebrated ten years with the grant of ESOP (employee stock option programme) to the employees, a first in the Indian water industry

2007: WABAG was reunited globally. WABAG India acquired its erstwhile parent – VA TECH WABAG (Austria) – from Siemens

2009 : WABAG secured 100 MLD Desalination order and moved into a higher league in the Desalination sector

2010: Listing of the pure-play water technology company on the Indian stock exchange. Grant of ESOPs to

employees under the ESOP Scheme 2010

2013: Crossed INR 2,000 Crore in revenues

2014: Established WABAG House – the global headquarters

2015: Secured the largest order – INR 1,500 Crore for an integrated ETP for Petronas RAPID Complex

2018: Associated with PM's vision of Clean Ganga – executed the first STP under Namami Gange at Varanasi

2019: Signed one city and one operator contract – a paradigm shift for Indian water sector. Entered the hybrid annuity model (HAM) projects under the Government of India's flagship Namami Gange Programme

2021: Expanded the global footprint, marking a foray into Russia with high technology order.

2022: Completed 25 years of business operations in India. WABAG became the third largest private water operator globally

2023: Bagged South Asia's largest 400 MLD desalination plant of INR 4,400 Crore for the development, construction and operation in Chennai. Secured a break-through DBO order from Bangladesh. Ranked 5th largest desalination player globally by GWI.

2024: Implemented the WABAG centenary stock option scheme, rewarding employees for their dedicated service and in celebration of the centenary year

What we have achieved in **100 years of our existence**

A proud record of enhancing water security and enriching lives.

At VA TECH WABAG LIMITED, we have been asked 'What have you achieved in the last 100 years of your existence?'



There are two ways to answer

One would be the numerical, highlighting the number of projects, their aggregate value and the pedigree of customers

The other would be more qualitative on how our water management engagements have achieved more – far more – than mere project delivery

The benefits of our projects have been enduring and extensive

They have helped protect the environment

They have helped power the economy

They have helped transform lives through safe and clean water

They have helped save lives through enhanced hygiene.

They have made industries self-reliant

They have helped create green jobs

They have enhanced time, effort and productivity.

They have helped rejuvenate our natural water resources

They have made societies climate-resilient

The conventional metric of putting a financial value on our existence needs to be replaced by a more faithful measure.


Life value.

What we have achieved in **100 years of our existence**

A position among the world's top three largest private water operators as rated by GWI (UK)

At WABAG, we are proud to be a pure-play water technology company that features us in the top three private water operators, serving 88.8 Million people, globally.





This scale provides us with a platform of international visibility and recognition, while giving access to prospective customers and a seat at the strategic table when our customers – industrial and municipal, governments, lending agencies – seek to discuss how they may sweat their systems to find more water.

They recognise that by virtue of our expertise, we go to their table with the exposure of the decades, experience of multi-dozen successful challenging projects and the upsides coming out of size economies.

The result is that we are not just only among the biggest but also we are among the most competitive in our space globally.

Win-win.

47,479

INR Million, market
capitalisation as on March
31, 2024

What we have achieved in **100 years of our existence**

The respect of being a technology-led pioneer in the water management space the world over

At WABAG , we are not just one of the many players in
the global water management sector.



Sewage Water Treatment Plant, Marafiq, KSA

We are unique. We are different. We are a disruptor.

This is why.

We are a knowledge-driven company fusing a combination of technologies to deliver solutions.

We are an outcome-driven company targeting disproportionate upsides that generate more from less. We constantly challenge ourselves to push the boundaries of innovation to find sustainable cost-effective solutions.

We are driven by the prospect of delivering water infrastructure that is larger, more competitive, more effective and delivered faster than the prevailing standard.

We focus on competitive advantages in building Engineering and Procurement projects (with Construction outsourced) of scale across diverse sectors and regions.

We leverage research and development centers in Europe and India, holding over 125 intellectual property rights.

We enhanced the level of engineering competence through the engagement and commitment of our greatest capital - our people; we have trained and upskilled water engineers across the world, inspired by the emotion of 'Passioneering'.

We help customers benefit from our expertise and efficient solutions.

The result is that a commercial organisation like ours is now being recognised by two words that we acknowledge with grace and gratitude.

Social enterprise.

What we have achieved in **100 years of our existence**

A footprint across 25 countries in 4 continents, empowering us to deliver change.

At WABAG, we see ourselves as a caring, competent and comprehensive multi-national.



Not because we generate revenues from 25 countries in four continents.

Countries in South-East Asia, Middle East, Africa, Europe, and CIS Regions.

But because we have set up 17 subsidiaries (including Joint ventures / Associates) the world over.

Our role in these geographies has extended from the transactional to strategic. We advise industrial and municipal customers; we enhance their awareness to new technologies and trends; we curate probable solutions that could enhance their spending productivity; we put customers first.

Our direct presence in those geographies has helped our customers develop an understanding that we are a local company possessing an international expertise, that we understand local terrains and challenges at the ground level and that we can respond

to their requirements with speed and accuracy.

What makes us different is that we are Romanian in Romania, Arab in Egypt, French in Tunisia and Russian in Russia, enhancing our competitive edge.

WABAG thinks globally and acts locally, which can be well described by the term One WABAG.

The capacity to be different nationalities at the same time and yet One WABAG makes it possible to match local customer needs with international best practices around competitive cost with a knowledge advantage.

There is an expression for this uniqueness that applies faithfully to our Company.

Glocal.

INR **13,394**
Million

Amount of business generated from the overseas markets, 2023-24

Multi-lingual, Multi-cultural,
Multi-national. One WABAG

What we have achieved in **100 years of our existence**

The reputation of being a trusted one-stop total water solutions provider.

In the global water infrastructure sector, there
are specialists for different competencies.



La Mesa WTP, Philippines

The water infrastructure company specialises in matching design – complex – to demanding customer needs.

The engineering segment of the business warrants the application of specialised engineering to diverse customer requirement.

The procurement vertical specialises in the aggregation timely and adequate materials.

The operations function focuses exclusively on protecting a high uptime of the delivered water infrastructure so that it fulfils the ongoing needs of society.

At WABAG, we possess competencies encompassing the entire gamut of the segments.

We are being widely recognised as a trusted one-stop total water solutions provider.

We have succeeded in delivering to our customers just more than physical infrastructure.

Peace of mind.

Over
1400+
projects completed in India
in last 25 years




What we have achieved in **100 years of our existence**

A brand recall of 'Will do whatever is good for community, society and world at large.'

At WABAG, we are driven by the objective of delivering water and wastewater infrastructure projects around a superior customer value proposition.



AMAS Sewage Treatment Plant, Bahrain



Our projects deliver a larger overall value, making it possible to reduce the cost per unit of delivered water.

We deliver projects around faster turnaround times so that we may alleviate society's inconvenience faster.

We are competently placed to deliver progressively larger projects so that we deliver in line with society's needs of the present – and the future.

We remain committed to enhancing the availability of an increasingly finite resource for all people, all applications and all seasons.

In doing so, we have deepened our commitment to service shareholders, employees, communities and customers with a distinctive proposition.

Cleaner, greener and bluer planet.

88.8

Million people the world over to whom we provide safe and clean drinking water and sanitation

17,000

Number of green jobs created

What we have achieved in **100 years of our existence**

Public validation for what we are, what we do and what we aspire to be

2023

Recognised as the Most Admired Company in the Water Infrastructure Sector

Recognised as the 'Most Admired Company in the Water Infrastructure Sector' at the Infra Focus Awards 2023 by Times Group

Recognised as Most Preferred Workplace for 2022-23

Recognised as Most Preferred Workplace for 2022-23 by Team Marksmen Daily, supported by India Today

Water Digest Water Awards 2023 – Best Water Treatment Solution Provider

Conferred the Best Water Treatment Solution Provider at the Water Digest Water Awards 2022-23 for ensuring Water Security and Environment Sustainability for Millions across the Globe

Arogya World Healthy Workplace

Recognised as a winner of the Arogya World Healthy Workplace Award 2023 by Arogya World India Trust

CII – EHS Excellence Awards 2022 – 23

Received two Bronze Awards for 140 MLD Dinapur STP, Varanasi, and One City One Operator initiative at Agra at the CII - EHS Excellence Awards 2022-23

Ranked 3rd among global private water operators by GWI

Ranked 3rd by GWI amongst the world's top 50 private water operators for ensuring safe & clean drinking water and sanitation to over 88.8 Million people

Ranked 5th among the world's top desalination plant suppliers

Ranked 5th amongst the world's top desalination plant suppliers in the annual survey of GWI (Global Water Intelligence) for 2022-2023

Construction Times Awards 2023 – Desalination Project of the Year

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

Energy Globe Award 2022 – National Winner Egypt

National Winner with the Prestigious Energy Globe Award 2022 for WABAG's Sustainable Wastewater Treatment and Water Recycling Plant at Madinaty, Cairo, Egypt

2024

Global Water Awards 2024

Bagged the Distinction Award under the 'Industrial Project of the Year' Category at the Global Water Awards 2024 for our NMDC CZLD Plant, Chhattisgarh, India.

Energy Globe World Award 2024

Received the prestigious Energy Globe World Award 2024 in the Water category with our sustainable project "120 MLD JUBAIL Industrial City WWTP

Water Digest World Water Awards 2023 - 24

Honored with the Best STP/ETP/WWTP - Private award for its Centralised Zero Liquid Discharge (CZLD) Plant designed and executed for NMDC Steel Ltd.

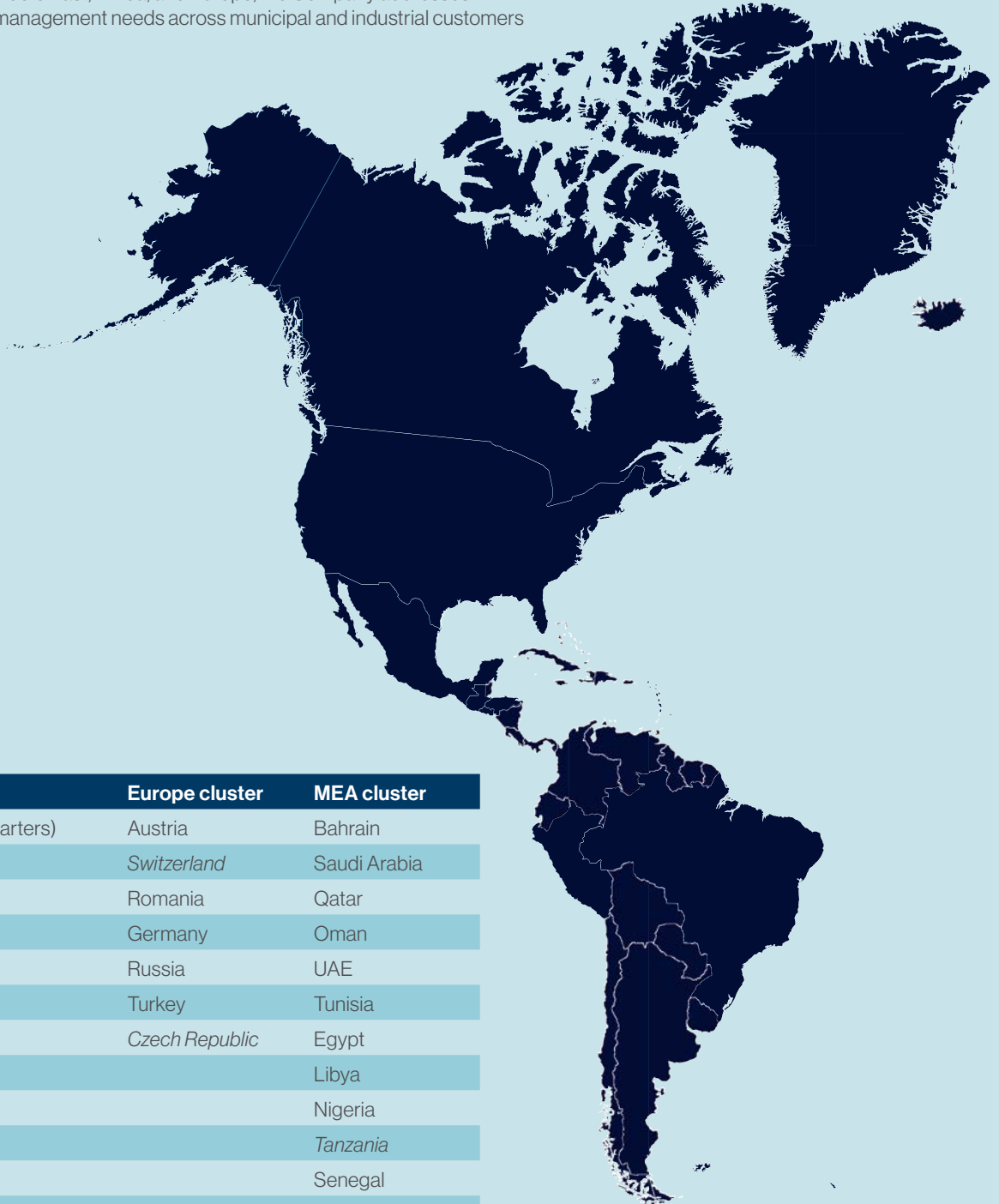
Received from EEPC India award for excellence in exports of engineering services.

Recognised as Most Preferred Workplace for by Team Marksmen Daily, supported by India Today



Our global footprint over decades...

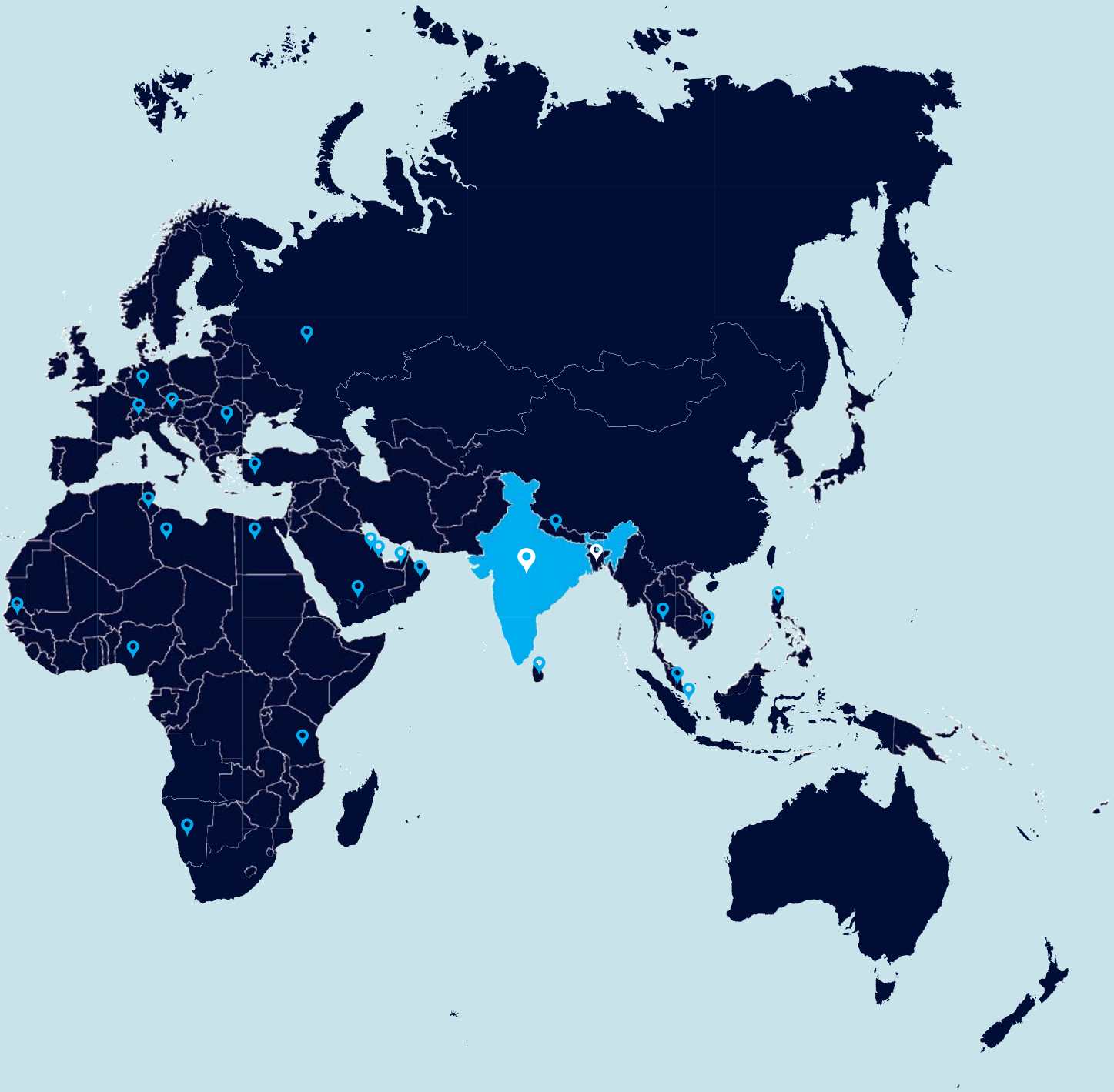
WABAG possesses a deep understanding of local water challenges and possesses expertise in offering customised solutions. With offices in India, Southeast Asia, the Middle East, Africa, and Europe, the Company addresses diverse global water management needs across municipal and industrial customers



India cluster	Europe cluster	MEA cluster
India (global headquarters)	Austria	Bahrain
Nepal	Switzerland	Saudi Arabia
Sri Lanka	Romania	Qatar
Thailand	Germany	Oman
Malaysia	Russia	UAE
Singapore	Turkey	Tunisia
Philippines	Czech Republic	Egypt
Vietnam		Libya
Bangladesh		Nigeria
		Tanzania
		Senegal
		Namibia

25

Countries of presence across four continents



WABAG.

Touching millions of lives the world over.

 **India**

Nemmeli SWRO: Executed a decade ago by WABAG for CMWSSB, the 110 MLD Nemmeli SWRO Plant ensures water security for over 10 Lakh people in South Chennai and successfully operating and maintaining the plant since then.

Koyambedu TTRO: The 45 MLD TTRO Koyambedu plant in Chennai saves over

1600 Crore liters of fresh water annually with state-of-the-art water re-use and re-cycle technology, promotes a robust revenue generation model for urban local bodies.

NMDC CZLD: The NMDC CZLD is one of the largest centralised ZLD facilities in the Indian steel industry, achieving 90%

efficiency through a multi-stage process, ensuring wastewater-free production.

Namami Gange - Dinapur, Varanasi: First and Largest STP with a capacity of 140 MLD inaugurated under 'Clean Ganga' mission

 **Tunisia**

Tunisia - Zarat: The 50 MLD ZARAT Seawater Desalination Plant in Tunisia, executed by WABAG for SONEDE,

employs state-of-the-art seawater reverse osmosis technologies, serving

as a reliable drinking water source for the people of Tunisia.

 **Turkey**

O&M Istanbul : As the pioneer of the one city, one operator concept, we maintained the sewage infrastructure of city of Istanbul.

Izmir WTP: Completed the turnkey construction of a 360 MLD drinking water treatment plant, navigating a challenging

environment, including comprehensive excavation works.

 **Romania**

- Built the first Produced Water Treatment Plant at Suplacu, employing innovative processes.

- Secured a comprehensive modernisation and upgrade project together with long-term operations and maintenance contract for the Petrobrazi Refinery ETP.

- Established contracts with renowned companies in the food and beverages sector, including Pepsi Co. International as well as clients in the tobacco and chemical industries.

 **Switzerland and Germany**

Developed technologies for the removal of micro-pollutants in wastewater, leading to a series of contracts, Switzerland being the first European country with legal requirements for micro pollutant removal.



Namibia

Executed two sustainable water reuse projects in Windhoek, Namibia. The first Direct Potable Reuse plant

was completed in 2001 and has been producing 21 MLD of recycled water daily, contributing up to 30% of the drinking

water needs of the 400,000 citizens of Windhoek.



Saudi Arabia

Jubail Industrial City WWTP and Water Reuse Plant: Municipal wastewater treatment plant with a capacity of 120 MLD, featuring a three-stage treatment process that enables

sustainable water reuse. The first turnkey endeavor was executed by WABAG in that country under the One WABAG approach. Showcases excellence in process design, mechanical equipment,

and adherence to health, safety, and environmental (HSE) standards, with over 7 Million safe person-hours.



Libya

Addressed a thermal desalination plant in Tobruk. A milestone in the field of thermal desalination. Serves as valuable reference. Present in the Country for multi-decades addressing social water infrastructure requirements.



Malaysia

Executed one of the largest integrated ETP for Petronas in RAPID Complex, Malaysia, to treat effluents from different waste water streams.



Philippines

Won the contract for the retrofit, rehabilitation and upgrade of the large-scale La Mesa 2 water treatment plant in

Quezon City, the world's largest drinking water treatment plant.

- 150 MLD Putatan WTP, a State-of-art treatment plant treating laguna lake

water having high levels of turbidity and ammonia to produce high quality drinking water



Nepal

Secured an order from Kathmandu Upatyaka Khanepani Limited (KUKL). Funded by the Asian Development Bank (ADB), this project involves the design,

build, and operation (DBO) of three wastewater treatment plants in Sallaghari, Kodku, and Dhobighat.

- Successfully executed an 85 MLD WTP in Melamchi, and 32 MLD WWTP in Guheshwori.



Bangladesh

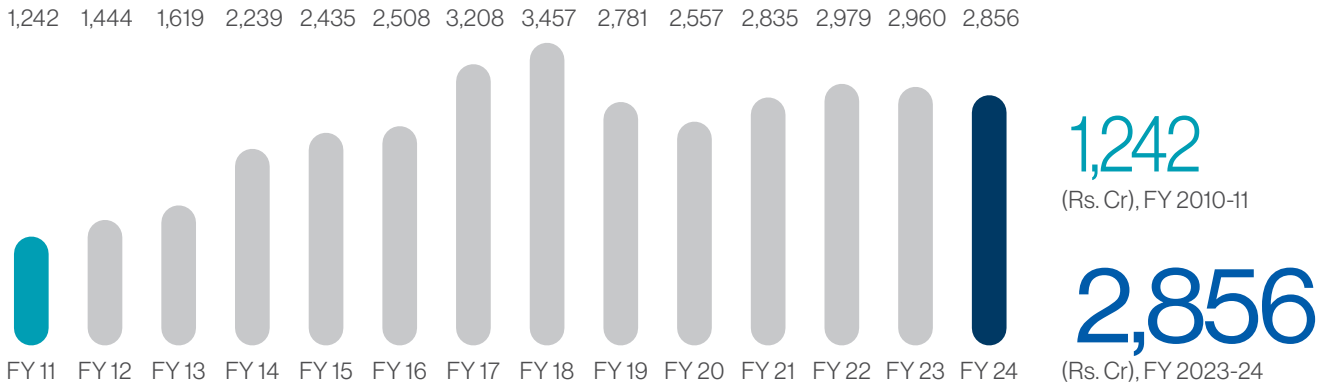
Secured an order worth about INR 800 Crore towards reconstruction, expansion and operation of the Pagla Sewage

Treatment Plant with 200 MLD capacity at Pagla in Dhaka, for Dhaka Water Supply and Sewerage Authority

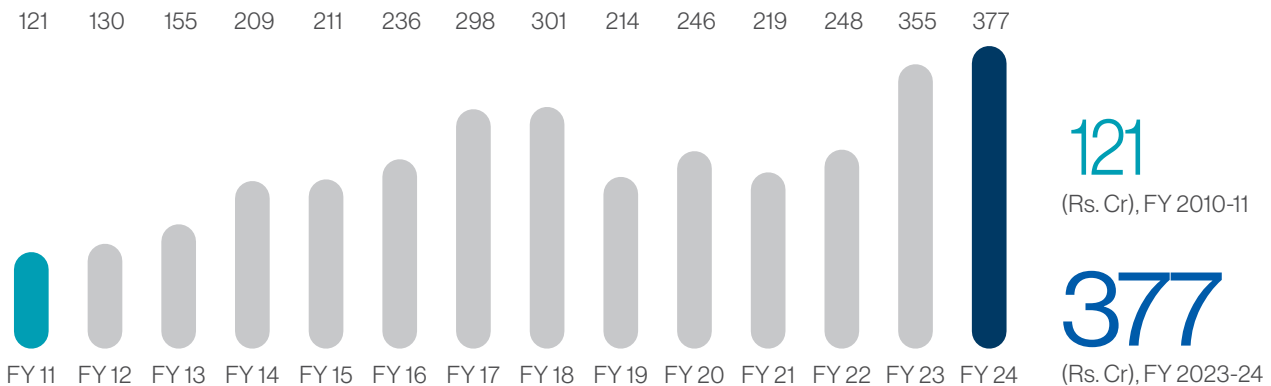
Singapore, Russia, Egypt and many other countries

How we have grown over the years

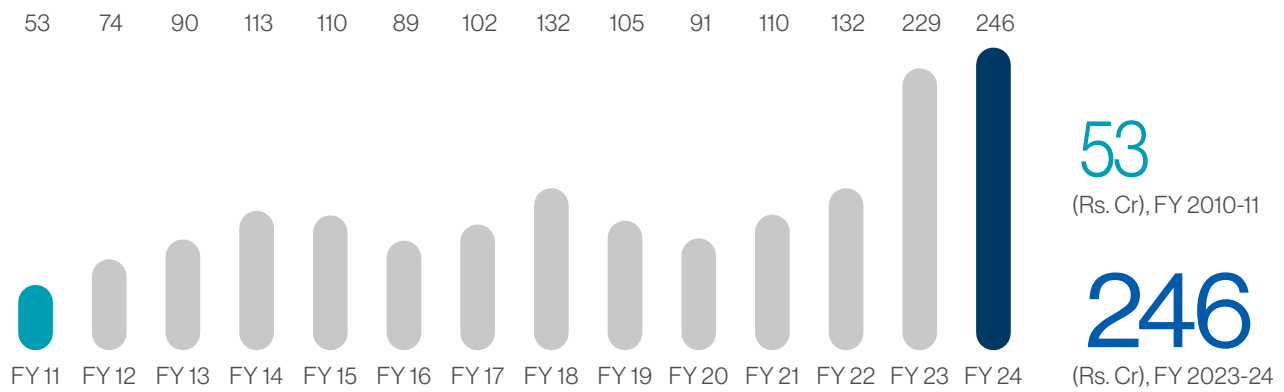
Consolidated Revenues (Rs. Cr)



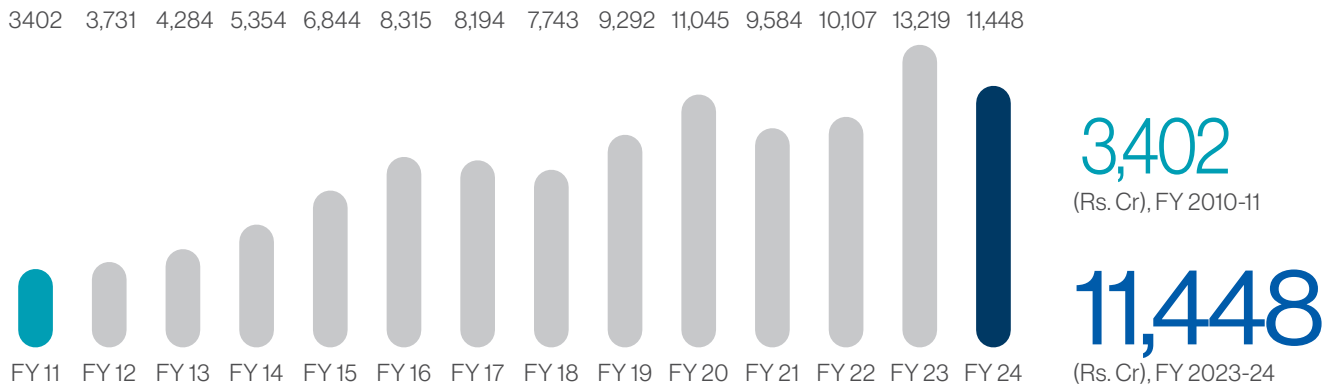
Consolidated EBITDA (Rs. Cr)



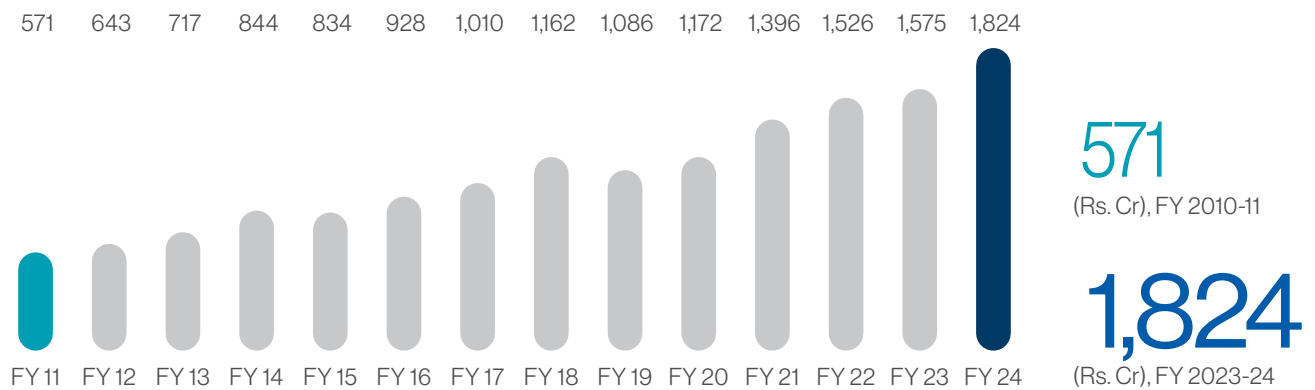
Consolidated Net profit (Rs. Cr)



Order book (Rs. Cr)



Consolidated Net worth (Rs. Cr)



Part 02

Perspectives of the Company's management



Delegates at Global Business Conference 2024

CHAIRMAN AND MANAGING DIRECTOR'S OVERVIEW



Rajiv Mittal, Chairman & Managing Director

I am optimistic that we will compress the growth achieved over a century in just the next few years, more than doubling revenues at attractive margins. We will continue to remain a truly Indian Multinational pure-play Water Technology Group with our Asset Light approach, positioned to deliver superior value to stakeholders while contributing to a Cleaner, Greener and Bluer planet.

Dear Stakeholders,

As we commemorate the centenary of WABAG, we are filled with pride and gratitude for a journey that began in 1924.

The first 100 years - of many more – of vibrant growth

Established by Max Reeder in Breslau, Germany, in 1924 and led by the visionary Chief Engineer Alfred Kretzschmar, WABAG emerged as a pioneer in the field of water treatment.

Our path has been one of resilience and innovation. Rebuilding from the ashes following the first World War, we laid strong foundations in Kulmbach (Germany) with the support of the American military government, growing to a team of 40 by 1949.

This period saw us becoming architects of aquatic progress, implementing patented applications that revolutionised water softening, gasification, and the automatic dosing of liquids.

Through the 1950s, we held a near monopoly in designing and constructing water treatment facilities for major German cities. The partnership with Deutsche Babcock in 1973 marked a significant turning point, graduating us

into a major global player. Subsequent mergers and acquisitions, including the formation of SGP VA and later VA TECH WABAG GmbH, widened our footprint into markets like Iran, Egypt, and Syria.

The 1990s saw the beginning of our Indian odyssey under my leadership and the support of my team. This period laid the groundwork of our extensive operations across Asia. Our resurgence in the early 2000s, characterised by a strategic management buyout - rare cross-border reverse acquisition - and eventual public listing in India deepened our global presence.

We have since fuelled growth across sectors, emerging as a preferred partner in the oil & gas sector, playing a pivotal role in the flagship Namami Gange programme, treating and managing over 190 crore litres of water every day, contributing towards a Aviral and Nirmal Ganga.

In these 100 years, Wabag transformed from a local start-up into a large and respected global corporation. Wabag is now synonymous with water security, ranked as the world's third largest private operator, the fifth largest global desalination player and more such achievements. These could not have been possible without the 'passionering'

of Wabagites – a coming together of passion and engineering competence – trust of our customers, partnership with our value chain members, confidence of our bankers and the support of our valued investors.

Together, we look forward to a future of continued innovation, growth, and contribution to a water-secure world.

Pioneers in the clean, green and sustainable water revolution

From my position - where I engage in discussion and deliberations on national river flows, urban water consumption and municipal water systems – I clearly see water dearth as the biggest societal challenge. Less water will mean less progress; less water will mean slower economic growth; less water will mean relatively lower personal prosperity. What the world needs is a collective multi-country agenda that articulates the danger, passes relevant legislation, enunciates long-term waste management goals, incentivises investments in stronger water systems and initiates a turnaround in quality water availability – for all, everywhere and any time.

Given this reality, it would have been convenient and comfortable to have created a commercial enterprise that would have addressed the water gap, prospected large orders, maximised profitability and driven shareholder value. At WABAG, we created a social enterprise instead that seeks to democratise water management systems, widen availability and enhance stakeholder value.

By walking the road less travelled, WABAG has emerged among the three largest water management companies in the world. Wabag's business theme of being 'clean and green' is reflected in every aspect of its business.

In the area of municipal wastewater, our tertiary treatment plants manufacture clean water from used water. This is used for non-potable purposes, releasing precious water for potable use. With over 2,500 MLD capacity of plants that we have built across the world, we are reinforcing global water security, converting waste to wealth. As a pioneer of this distinctive circular economy approach, we have built plants that ensure that used water is converted into a valuable resource and all wastewater elements are made usable. Water is treated to meet discharge norms or for further use for non-potable or potable applications. Sludge is converted to manure, reducing landfill risks to the environment. Biogas is used to produce green energy from sewage, which powers the treatment plants, making them energy neutral. Wabag's leadership in green energy production from biogas has been well recognised. We have built biogas plants in sewage treatment plants, producing over 40 MW of renewable and green energy every day, reducing GHG emissions. We are presently pursuing projects to convert biogas to CNG/CBG. The wastewater treatment plants we have built or maintain across the world treat over 27,000 MLD of municipal and industrial wastewater, addressing environmental discharge norms and

helping save the environment and water bodies.

On the desalination front, our plants across the world possess an installed capacity of over 1,200 MLD. They have been ensuring desalinated water for drinking water and industrial purposes. We are among the few globally recognised desalination companies possessing the capabilities, references and technologies to build large desalination plants.

On the industrial wastewater front, Wabag's leadership in the oil & gas segments is well known. We have treated the most complex effluents and secured global orders against challenging international competition. This was achieved on the strength of our technology superiority in providing a world-class solution at a competitive price. Our industrial treatment plants for the oil & gas, steel and power, food & beverage industries ensure process effluents are treated for reuse, enhancing water reliability and security. Our zero liquid discharge plants, an area of focus for most industries, ensures a circular economy in industrial water and wastewater treatment.

On the drinking water front, Wabag has built treatment plants of over 26,000 MLD

over 25 years, ensuring pure drinking water for millions.

Endurance value

I have often been asked: What has helped WABAG endure for a century?

These are some of my answers.

One, at our Company there is a complete alignment between an emerging global crisis and our corporate mission. We are in existence not to capitalise on a crisis; we are here to mitigate it.

Two, we extend beyond the customer's belief. We engage in superior value engineering that reduces the customer's cost of staying in business and empowers the customer to achieve more with the same investable outlay.

Three, we have deepened our cost leadership to a point where our value proposition is considered among the best in the world by even the most demanding customers.

Four, we do not just build water management systems and walk away; we operate and maintain them as well, ensuring that our design at concept stage is extended faithfully to everyday efficiency.

Five, we are positioned as a technology company first, possessing an extensive knowledge bandwidth that transforms a customer's despair into delight.

Six, much of this knowledge bandwidth has been sourced out of India and emerging economies, leveraging the talent breadth, engineering depth, hunger to succeed.

Seven, our water management solutions have been delivered across continents; we may be Indian by promoter origin, corporate headquarters and a large operational presence, but we are effectively a global enterprise with a footprint in various geographies.

As we celebrate

100

years of WABAG,
we honor our legacy
of filtering success,
achieving global reach,
and committing to
sustainable water
solutions.

Enhancing life quality

WABAG's desalination plants have improved life quality by providing reliable, affordable and sustainable alternative water sources for domestic and industrial consumption.

WABAG championed its water reuse practice, executed projects for municipalities and industries across Asia, Europe, Middle East and Africa.

WABAG remains committed to sustain the quest for innovative solutions to ensure that water resources remain sustainable, aligning with its motto of '*sustainable solutions. for a better life*'.

A hundred years in existence is an opportune time to take stock of how we have enhanced life quality in different parts of the world.

The exciting journey of the next 100...

I am optimistic that we will compress the growth achieved over the last century in only the next few years, more than doubling revenues at attractive margins. The last 100 years have been the most momentous in the existence of humankind. The progress made during this century has possibly been more than in the previous centuries combined. Ironically, the devastation on natural systems in this century has possibly also been more than in the previous centuries combined.

WABAG, which completes a century in existence during the current year, has enjoyed a ringside perspective of a transformation in eco-systems: from a time when there was enough for all to a point in time – now – when virtually all eco-systems are fragile. We have not only been a witness to this dramatic transformation; we have also been engaged in the protection and preservation of the world's fragile water system.

I believe that the next 100 years is going to be the most exciting and most important period for Wabag and the World. The biggest global challenge is climate change. The most evident manifestation of this challenge is that we have less water to live with. Since water represents a society's building block, life and life quality are now clearly threatened. The signs are all around us. Climate change is enhancing precipitation disparity; some regions are getting heavier rain while others remain deficient. Water scarcity affects gender opportunities with women generally consigned to periodically walk long distances to fetch modest water for their households. Low water availability affects sanitation and health care, affecting family spending on education and lifestyle improvement. Water stress is now on the front pages of newspapers, with prominent Indian cities now close to a full-fledged water crisis. Water is being clearly seen as a facilitator of all individual, societal and national freedoms.

One would have assumed that this crisis would have triggered conservation responses. The reality is that water is still not being treated as an endangered economic resource. The result is that

every increase in personal incomes translates into enhanced water consumption; taps leak in most places; most municipal pipes leak underground; taps run while one is shaving; water stored for a few days is considered 'stale' and drained; bathing tubs in affluent homes are common; cars are washed with potable water; ground water recharging is not mandatory; the concept of drinking recycled water goes against cultures; water conservation has been reduced to a seasonal urban preoccupation, forgotten the moment the monsoons arrive.

WABAG as the statesman in this sector has responsibility to ensure that the world does not run out of water and the precious resource is managed well with ensuring that water is appropriately available for sustaining life on earth and thriving the economy. Our responsibility remains Powering Economies but ensuring that we continue to Preserve the Environment.

The next 100 years are going to be about Desalination, Water Reuse and Better Water management for ensuring Water access for all.

I'm excited to announce WABAG's strategic focus on two high-growth sectors: Green hydrogen and semiconductors. In Green hydrogen, a nascent but promising field, we plan to become a key partner by providing our expertise in clean water treatment, an essential raw material. The recent chip shortage underscores the critical role of semiconductor manufacturing, and WABAG is well-positioned to capitalise on this growth with our proven experience in establishing Ultra-Pure Water plants, vital for chip production. We are confident that WABAG's capabilities will be instrumental in the success of these emerging industries.

WABAG, which completes a century in existence during the current year, has enjoyed a ringside perspective of a transformation in ecosystems: from a time when there was enough for all to a point in time – now - when virtually all eco-systems are fragile.

The next century

A momentous century in our existence has ended. How do we intend to address the water challenges of the world in the second century of our existence?

At WABAG, we will do all that we have done in the last couple of decades, if only with a deeper commitment to address the challenges facing humankind.

We will remain a pure play water management company, inspiring the optimism of global water security.

We will play the game to our strengths, which lie in Engineering and Procurement, delegating the challenging construction responsibility to specialised service providers – and in doing so, remaining knowledge-heavy but asset-light.

We will intensify our technology focus, marked by innovative research and development and embrace of complex engineering projects. We will leverage our knowledge bandwidth to deepen our global cost leadership, making it possible to create new markets and expand existing ones.

We will focus on industrial projects marked by credible funding, tight deadlines, professional workflows, and milestone-based remuneration, strengthening our brand and reference value.

We will balance our geographic exposure, generating more than 50% of our revenues from a range of international markets, moderating our excessive dependence on any one non-Indian country.

We will grow the operations and maintenance proportion of our revenues to 20%, an annuity asset-light revenue stream enjoying attractive margins.

We will enter public-private partnerships where we attract partners with complementary interests that leave us to focus on what we are best at (technology competence).

We will focus on opportunities coming out of developing and emerging economies – similar to India by demographics - that are still engaged in building water management systems.

Optimism

At WABAG, we possess the technologies, experience and knowledge to grow faster and touch a larger part of the world.

I am optimistic that we stand at that point in our existence when we are competently placed to compress the growth of a century in only the next few years. We believe that this growth shall translate into enhanced value – not just for our shareholders but for every stakeholder addressed by our Company, starting with the consumer who turns on a tap in a remote location and gets clean and abundant usable Water.

We are well positioned with our technology focus and asset light approach to deliver superior value to our stakeholders while contributing to a Cleaner, Greener and Bluer planet.

Together, we have achieved remarkable success over the past century. I have no doubt that together, we will continue to make a positive difference in the world for generations to come.

Rajiv Mittal







WABAG has emerged as a global brand that stakeholders seek to be associated with for a holistic governance experience

Context

There is a growing recognition for the water infrastructure sector as more of a social business that is critical to the needs of the world today and necessary to address the growing needs of tomorrow. This makes the existence of a single-point solution provider like WABAG important for the world.

Relevance

WABAG completes a century of its existence in 2024. Interestingly even as ten decades have passed and one would assume that the sector would have matured and its prospect would have plateaued, this appears to be only the beginning of the Company's journey.

This perspective is validated by the events unfolding around us. The single defining global reality of the last 100 years has been a sharp increase in global population.



STP, Arupara, Kolkata

This sharp acceleration in the global population has brought into perspective the finiteness of a range of resources. Water heads the list; it is that one resource that makes all the other resources available to humankind possible; it is that one resource most closely linked with personal incomes and prosperity; it is that one resource whose shortage could – in the opinion of most – trigger the next great global war.

The reality is that as the global population has increased, the availability of

The time has come for technology-driven water companies to bring into play cutting-edge interventions that can make it possible to stretch the available water several times over for a larger range of users than ever.

clean water has been unable to keep pace. The result is that per capita water availability has declined; there is a considerably smaller water pool available for humankind than ever before. Correspondingly, there is a greater focus by governments and policy makers the world over on the need to use that existing water pool many times over through the interplay of recycling and reuse. The world has come to a point when the one-time use of water is being considered a luxury that the world can no longer afford. The time has come for technology-driven water companies to bring into play cutting-edge interventions that can make it possible to stretch the available water several times over for a larger number of users.

As a result, there has been a growing premium for the existence of comprehensive water solution providers. These companies do more than just deliver a limited solution; they possess the knowledge and experience bandwidth to scope a customer's multi-year water appetite and likely consumption pattern; they can bring into play a range of competencies that would otherwise have warranted the deployment of multiple vendors; by the virtue of their deep understanding of realities and transforming global landscapes, they

can transform a customer's resource insecurity into a peace of mind.

I am proud to communicate that WABAG is one of these specialised companies that continues to leverage its rich past, address the challenges of the present and is prepared to capitalise on the opportunities of the future.

Our competencies

WABAG is a rare global success story in the water infrastructure sector for good reasons.

The Company is an Indian multi-national with a presence in more than 25 countries. The Company is not merely implementing projects in these countries; it enjoys a local presence in most of these markets that makes it eligible for projects of 'glocal' value – global by knowledge and standards and local by cost cum relevance.

The Company is acknowledged as a technocrat-headed knowledge powerhouse the world over on account of its expertise in delivering the best global water solutions addressing the most under-addressed customer needs at the most competitive cost in the shortest project tenure.



TTRO, Ghaziabad Nagar Nigam

Preparedness

WABAG is prepared to address the challenges of the day and respond to the opportunities of graduating to the next orbit tomorrow.

WABAG will balance the world's needs for volume-based interventions at one end and higher end technologies at the other,

protecting its relevance in developing and developed markets.

WABAG is exploring dynamic public-private partnership models where scalable O&M-driven platforms make it possible to address varied downstream applications across the industrial and municipal sectors backed by multi-lateral funding agencies.

WABAG will continue to push the technological frontier through progressive investments in people, competencies and training. This complement is expected to help the Company graduate to projects with higher capacities and denominations, empowering it to address downstream needs of more clean water for all.

Conclusion

At the completion of the first century in its existence, WABAG is more energised than ever.

We are like the boy who stood at the edge of the shore; instead of complaining that

he had reached the end of his journey, he saw the vast sheet of water and rejoiced that even as one journey appeared to be coming to an end, a larger journey was about to begin.

At WABAG, the second and more momentous event of our journey begins now.

S. Varadarajan

What the world needs

Projects addressed by solution providers, enhancing a peace of mind

Projects customised around terrain requirements

Projects of larger capacities

Projects marked by global best practices

Projects with a deeper role of diverse modern technologies

What WABAG delivers

A comprehensive one-stop solution provider

An in-depth understanding of local realities across over 25 countries in 4 continents

An increase in capacity to address progressively larger projects

A technology-driven company owning more than 125 IP Rights

Aggregated best practices from a century's experience in different landscapes

CHIEF FINANCIAL OFFICER'S OVERVIEW



WABAG possesses a technology-rich and asset-light model to continue growing responsibly, profitably and sustainably

How we transformed our business in the last few years and continued our profitable growth and free cash generation in FY 2023-24

Big picture

The big message is that WABAG Group sustained the evolution of its business momentum and created an even stronger foundation to capitalise on an inflection in the global water management sector. WABAG possesses a robust and deleveraging Balance Sheet, marked by profitable growth and free cash generation, the direct outcome of a long-term strategic clarity expected to empower the Group into its next growth phase.

Profitable growth

The Group's business model was validated by profitable growth during the year under review (indicated by a percentage increase in EBITDA being higher than a percentage increase in revenues). This phenomenon was visible across all four quarters of the year under

review. The profitable growth was the result of an effective project mix, value engineering efforts, cost optimisation and effective cash management. During the last financial year, the Group reported strong Earnings before Interest, Depreciation and Amortisation (EBITDA) of over 13% at INR 377 Crore and a Profit after Tax (PAT) of almost 9% at INR 245 Crore.

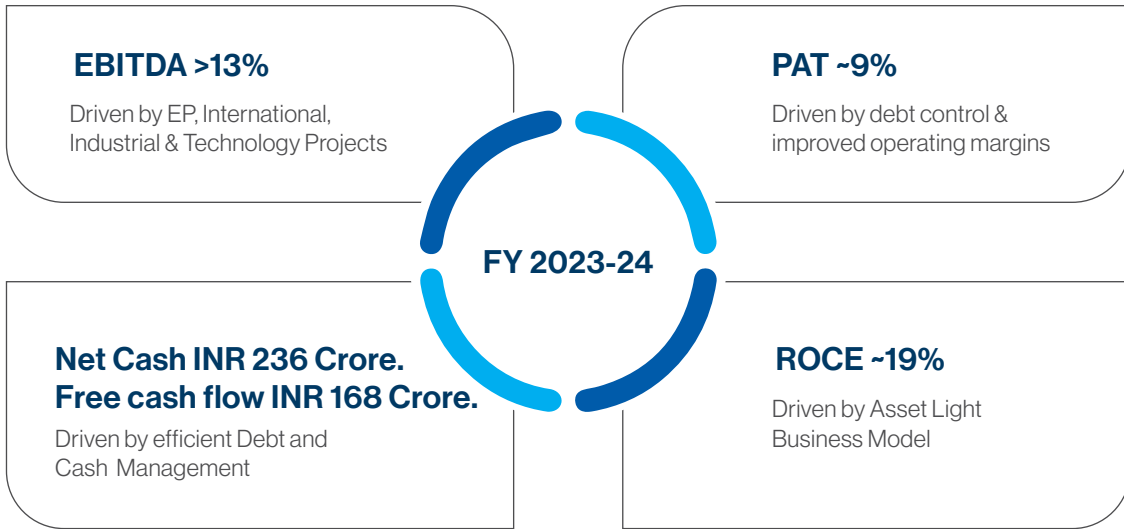
Asset-light and strong returns

Driven by an asset-light business model, Return on Capital Employed (ROCE) strengthened to ~ 19% and Return on equity (RoE) was a robust 15% for the last financial year. The Company expects to generate superior returns and is optimistic of enhancing capital efficiency through timely projects completion, investment in cutting-edge technologies,

global spread of projects, increasing proportion of industrial projects, focus on the 'EP' component of EPC projects and generating annuity revenues from operations & maintenance engagements.

Improved rating

The highlight of the Company's performance was how it was perceived by demanding credit rating agencies. WABAG enhanced its credit rating from stable to positive affirmed with 'IND A+/IND A1+' by India Ratings & Research (wholly-owned subsidiary of Fitch Group). The rating was influenced by the Company's brand, pre-qualification, project credentials, capital allocation discipline, established pan-global credentials, high bidding strike rate, knowledge capital, client pedigree and timely projects completion.



Strong Business parameters in line with Long Term Strategy

Net cash positive

The Company remains focused on a sustainable financial foundation. It continued to maintain low gearing in line with the strategic objective of remaining net cash positive. The Company continued to remain net cash positive for the fourth consecutive year, reporting a closing net cash of INR 236 Crore and free cash flow generation of INR 168 Crore for the last financial year.

Wriddhi

WABAG embarked on a pivotal long-term Wriddhi strategy, a comprehensive plan designed to propel the Company into a new era of growth, innovation, and sustainability. In the face of an increasingly complex and dynamic global water market, WABAG's Wriddhi strategy serves as a roadmap to navigate challenges and seize opportunities.

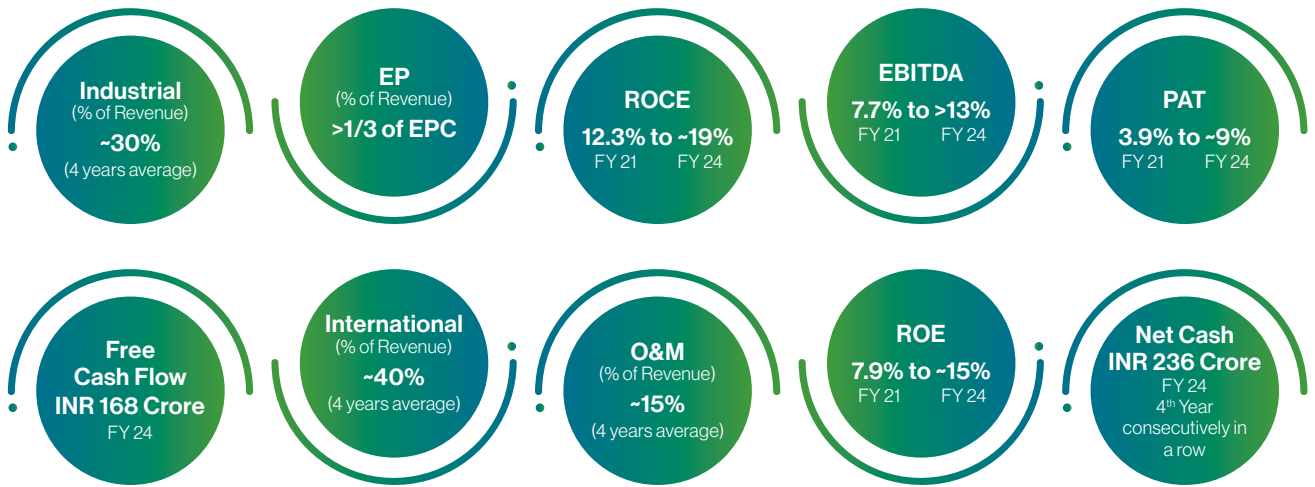
Rooted in our core values and extensive industry expertise, Wriddhi was

formulated to enhance the competitive edge, optimise operational efficiency, and deliver superior stakeholder value. Our strategy focuses on advancing technological innovation, expanding our global footprint, fostering strategic partnerships, and driving sustainable practices across our operations. Through Wriddhi, we aim to not only meet, but exceed, the expectations of clients, communities, and employees. The key pillars of Wriddhi are enumerated below:

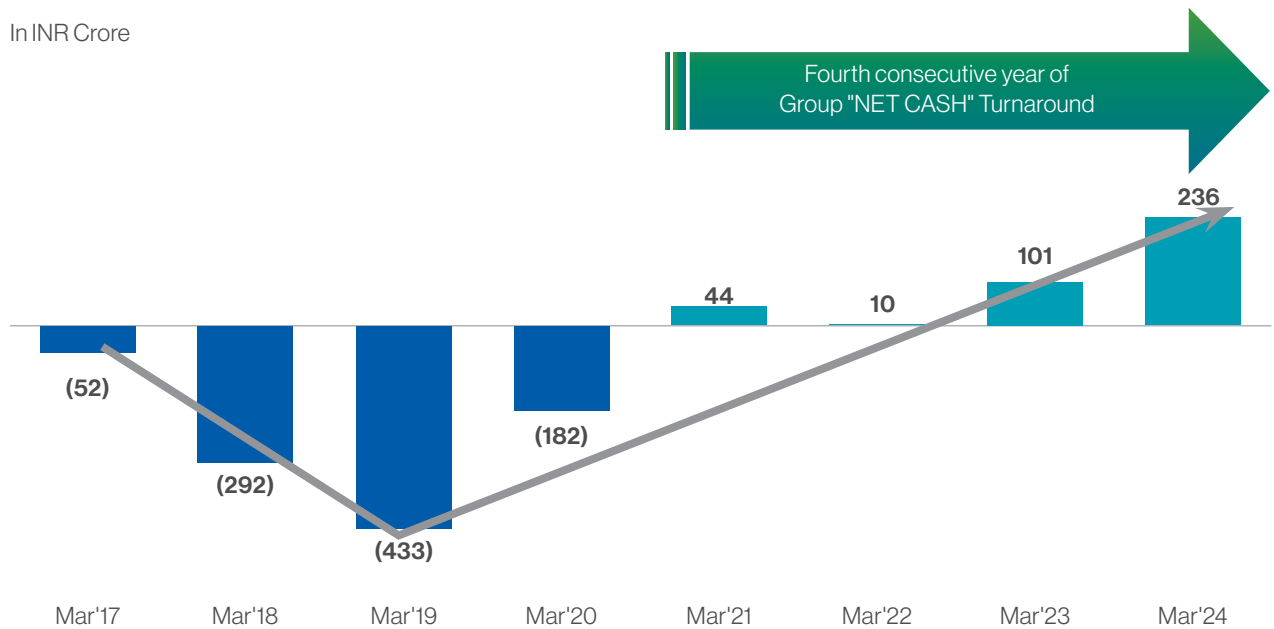


Profitable Growth | Success | Market Leadership | Free Cash-flow | Quantum Leap | Improved Valuation

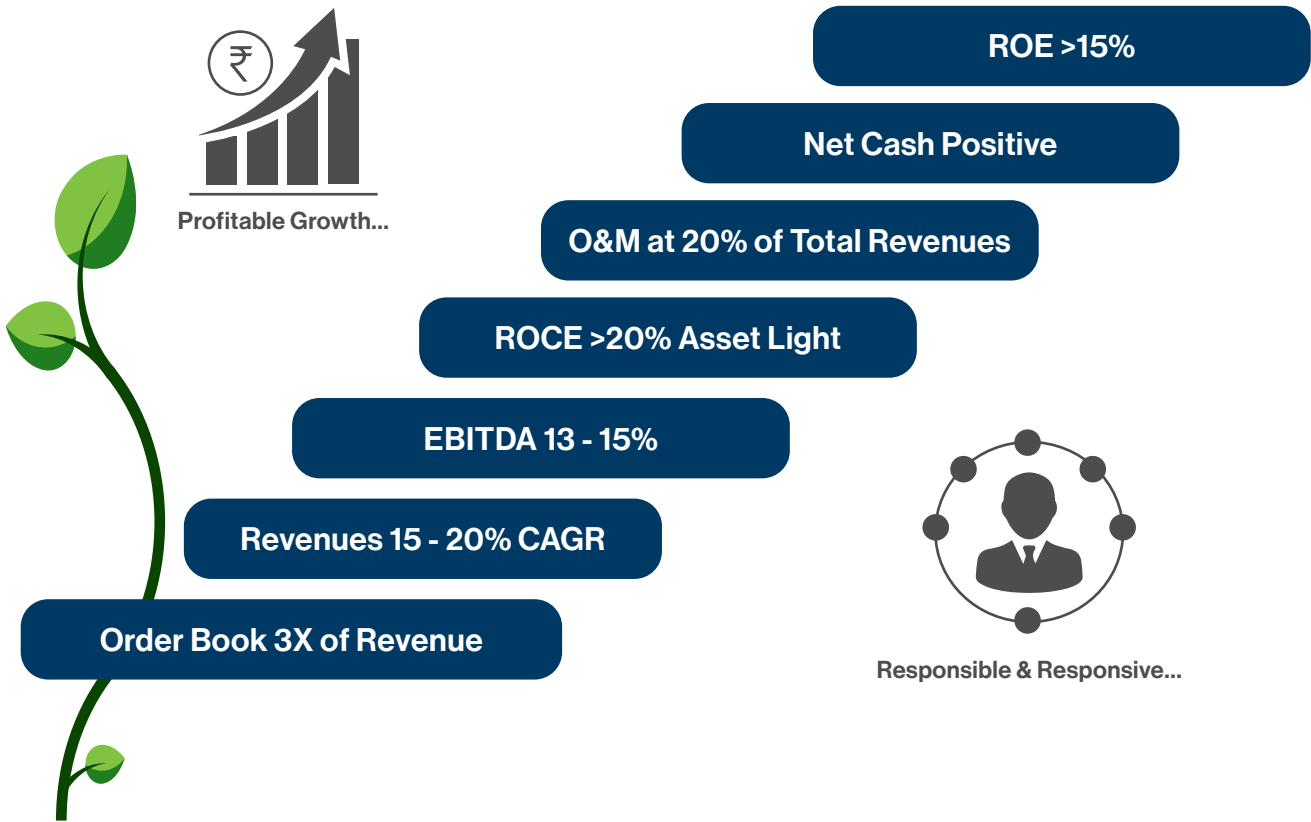
Business Transformation post "Wriddhi"



Group continues "NET CASH" Positive Path...



Medium Term Outlook



After four years of focused implementation, Wriddhi outcomes are heartening. The business and numbers have transformed, marked by superior profitability, cash flows, returns to stakeholders, business mix and valuation re-rating.

Optimism

The scenario is optimistic on account of policy tailwinds coming out of virtually every country related to effective water management. The Company is attractively placed to carve out a large share of the emerging orders on account of its global personality, superior price value proposition (increased technology output at a lower holistic cost), increased projects frequency and a growing ticket size of orders. The proportion of recycling within most emerging economies is low, putting

a premium on the commissioning of water management projects. The Company is creating benchmarks in delivering projects around a superior proposition.

Saudi Arabia's vision 2030 comprises a complete reinvention of the country's brand appeal marked by a declining dependence on oil and a growing priority for water security; focus on Africa is enhancing the role of desalination, opening up new markets; a rise in industrialisation and sewage treatment plants in Asia is expected to accelerate market growth; a growing focus on green hydrogen is expected to widen the market for industrial grade water; the increased investment in the semiconductors is expected to enhance the demand for ultra-pure water; increased population will demand increased sludge management and water for sanitation; a growing

responsibility the world over enhancing the role of ESG in everyday lives.

With a passionate WABAG team and the wealth of 100 years of experience cum achievements, WABAG will scale greater heights, create innovative solutions, and lead the way in sustainable water management. The Company remains committed to a future where clean water access is guaranteed, sustainable practices are the norm, and WABAG's legacy inspires and innovates for generations.

Skandaprasad Seetharaman

01

Profitable and responsible growth

Increased scale; superior amortisation
 Increased productivity
 Improved economies
 Moderating per litre water cost
 Enhancing the customer's price-value proposition
 Growing the size of the market

02

How we strategically transformed our business

Holistic water focus; enhanced brand
 Greater EP focus (outsourced Construction)
 Increased revenues from industrial projects
 Enhanced international projects exposure
 Increased annuity revenues

03

Strengthening the Balance Sheet

Shrinking the working capital cycle; emerging net cash-positive
 Enhancing revenues from asset-light services
 Enhancing capital efficiency (RoCE and RoE)

04

Strengthening the P&L account

Value engineering
 Cost leadership
 Enhancing projects with scale and value-addition
 Interest cost optimisation through effective cost management

05

How our operations transformed our business

Changed our bidding approach; enhanced strike rate
 Bid for projects with strong customer and outlay
 Drove costs down; passed benefits to customers
 Accelerated cash inflows; repaid debt
 Transformed from net debt to net cash

How we
 are building
 a stronger
 company

The direction

- Growing water management role due to ESG factors
- Focused on industrial sector such as oil and gas, refinery, power, petro-chemical, chemical, steel, manufacturing, energy production etc.
- Bid for complex projects with lower competition
- Value appraised across technical and price considerations

Outcome: Validated global quality at a competitive cost

2

Focus: 30% of all revenues from the Industrial segment

- Stronger leverage of competitive advantage
- Outsourced construction to partners
- Better control over time and better profitability & cashflows

Outcome: Sustainable growth in Margins and Cashflows

1

Focus: 33% of EPC revenues from EP segment



of our business

3

**Focus: 50% of
revenues from
international
projects**

- Presence across over 25 countries (outside India)
- Larger and technically complex projects with multilateral and sovereign funding.
- Generated export earnings and forex gains
- Focus on S and SE Asia, Middle East, CIS and Africa

Outcome: Access to rich terrain experience across countries

4

**Focus: 20% of all
revenues from
O&M projects**

- Multi-year projects; average tenure 10-15 years
- Aggregate INR 4500 Crore order book
- Asset Light, Margin & Cashflow rich

Outcome: Annuity revenues covering annual fixed costs



Part 03

World, Water and WABAG

The big picture





Water concepts that are gaining ground the world over

01

Water is likely to be the biggest fallout of climate change

02

Water is too precious a resource to be used only once

03

Water will need to be 'managed' first if planet's survival is to be ensured

04

Global population clusters are likely to be defined more by water than anything else

05

Increasing investments across countries in strengthening their water systems

The world is addressing its biggest challenge:

Finding enough water for 10 Billion by 2050

In 1800, there were one Billion people. Today there are more than 8 Billion.

What took humankind centuries to achieve in terms of population growth has multiplied eight-fold in a fraction of the time.

This is what has got social planners worried.

Only 3% of the world's water is fresh water, too small a base on which to build for the future.

Per capita water consumption is rising with increased prosperity; 3.8 tons per day in 2023.

Some 1.1 Billion people the world over lack access to water; 2.7 Billion find water scarce for at least a month in a year.

Global water demand is projected to increase 20 to 25% by 2050, while the number of watersheds facing high year-to-year variability, or less predictable water supplies, is expected to increase by 19%.

Water shortages can lead to industrial interruptions, energy outages and agricultural production losses — like those already being seen in India, where a lack of water to cool thermal

power plants between 2017 and 2021 resulted in 8.2 terawatt-hours in lost energy – or enough electricity to power 1.5 Million Indian households for five years.

By 2050, the world will need to produce 56% more food calories than in 2010 to feed a projected 10 Billion people, warranting more water.

The global urban population facing water scarcity is projected to double from 930 Million in 2016 to 1.7 – 2.4 Billion people in 2050.

24

% of global GDP exposed to high water stress in 2010

31

% of global GDP likely to be exposed to high water stress by 2050

5

Billion, number of people who will face water shortage by 2050

15

USD Trillion, size of the global economy exposed to high water stress in 2010

70

USD Trillion, size of the global economy likely to be exposed to high water stress by 2050

8.2

Terawatt-hours energy lost due to water dearth, 2017-2021

(Source: Bank of America, World Resource Institute, DownToEarth, Scientific American)

Climate change will deepen the water crisis

Changes in precipitation

patterns: Around 266.52 Million people, equivalent to 3.3% of the world's population, are expected to experience drier conditions, while a staggering 2.76 Billion individuals, accounting for 34.7% of the global population, could face wetter conditions. (Source: downtoearth.org.in)

Rising temperatures: Global average surface temperatures in 2023 were 1.34–1.54 °C above the average for 1850–1900 — a 'pre-industrial' period before industrial activities kicked into high gear. This intensified drought conditions and water scarcity. (Source: nature.com)

Melting glaciers and snowpack: Rising temperatures cause mountain glaciers to melt. As the glacier shrinks, the water supply will diminish

and farms, villages and cities might lose a valuable water source.

Sea levels rise: If CO₂ and other greenhouse gases continue to increase on their current trajectories, sea levels could rise by a minimum of 0.4 to 0.8 m (1.3 to 2.6 feet) by 2100, leading to saltwater intrusion into freshwater sources. (Source: royalsociety.org)

Ground water: Groundwater storage levels have been declining by 2.6 centimetres per year in the Ganga basin. This rate of depletion could triple by 2080, if Indian farmers continued to draw groundwater at the current rate. The reduced water availability could endanger the livelihoods of more than one-third of the Indian population. (Source: thehindu.com)



1,816

Litres, Average annual per capita water availability, 2001

1,545

Litres, Average annual per capita water availability, 2011

1,367

Litres, Average annual per capita water availability (projected), 2031

(Source: ey.com, pib.gov.in)

ANALYSIS 

The big picture in numbers

**The more we grow, the more
water will be consumed.**

**The more water will be consumed,
the lower the water availability.**

**The lower the water availability,
the less we are likely to grow.**

Catch 22.

These numbers tell the real story of how the bad is likely to get worse

5,000
Cubic meters, per capita water
availability in India, 1947

1,486
Cubic meters, per capita water
availability in India, 2021

1,816
Cubic meters, per capita water
availability in India, 2001

1,367
Cubic meters, per capita water
availability projected, 2031

1,545
Cubic meters, per capita water
availability in India, 2011

1,140
Cubic meters, per capita water
availability in India, 2050



Agriculture

70

% of global freshwater withdrawals accounted by agriculture

100

% increase in food production in 30 years

60

% more food will be needed by 2050 to address a growing global population

10

% by which water withdrawn by agriculture can increase



Manufacturing

93

Billion cubic metres of water annually consumed by the global fashion sector

4

% of total freshwater extraction worldwide by the global fashion sector

6.56

% CAGR, growth of global data centre market from 2024-2031

2,500

Litres of water required to create one cotton shirt



Energy

70

% of all fresh water used by industry is for non-contact cooling

30

% increase in water consumption within the Food and beverages sector over the past decade.

23

% of global water use by the pharmaceuticals industry

10-300

M³ of water consumed per ton of Paper and Pulp sector

4-120

Billion M³ of annual water consumption by Paper and Pulp sector

(Source: Frontline Magazine, PIB, Times of India, FAO.org, UN.org, Textile learner, WRI, Common Objective, Aquatech, Science Direct, Skyquest)

The United Nations made water accessibility central to Sustainable Development Goals by 2030

- Achieve universal and equitable access to safe and affordable drinking water for all.
- Achieve access to adequate and equitable sanitation and hygiene for all, and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations.
- Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater, and increasing recycling and safe reuse globally.
- Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity, and substantially reduce the number of people suffering from water scarcity.
- Implement integrated water resources management at all levels, including through transboundary cooperation as appropriate.
- Protect and restore water-related ecosystems, including mountains, forests, wetlands, rivers, aquifers and lakes.
- Expand international cooperation and capacity-building support to developing countries in water and sanitation related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies.
- Support and strengthen the participation of local communities for improving water and sanitation management.

(Source: un.org)



How India is implementing forward-looking policies to address its water challenges

Ground Water Management and Regulation (GWMR): The scheme involves constructing 7000 piezometers and installing 7,000 Digital Water Level Recorders (DWLRs) with telemetry systems. It comprises conducting heli-borne surveys for high-resolution mapping of approximately 300,000 square kilometers of arid regions in Northwest India. Data generation for aquifer mapping will be achieved through the construction of ,1135 wells across 11 states from 2022 to 2026.

National River Conservation Directorate (NRCD): Launched by the Indian Government, aims to reduce river pollution and improve water quality through various abatement projects.

National Infrastructure Pipeline (NIP): A projected investment of around INR 111 trillion for FY20-25 for developing a comprehensive view of infrastructure development in the country.

National Water Mission: Launched to conserve water, minimize wastage and ensure equitable distribution. A Sahi Fasal campaign was initiated to nudge farmers to grow crops that consume less water and use water efficiently. Water Talk was initiated to enhance awareness, build

stakeholder capacities and encourage active participation in conservation.

Atal Bhujal Yojana: Focused on community participation, demand side interventions and convergence ongoing schemes for sustainable ground water management in seven Indian States.

Har Khet Ko Pani: Comprises the repair, renovation and restoration of water bodies. Scheme aims to revive irrigation potential by improvement and restoration of water bodies by enhancing tank storage capacity, with multiple objectives like ground water recharge, increased availability of drinking water, improvement of catchment of tank commands etc.

Atal Mission for Rejuvenation and Urban Transformation: Launched in 2015 in 500 cities and towns for 5 years, now extended for completing grounded projects. Focuses on the development of basic urban infrastructure in cities related to water supply, sewerage & septage management, storm water drainage, green spaces & parks and non-motorised urban transport.

Jal Jeevan Mission - Har Ghar Jal: Implemented by the Government of India in partnership with States since August,

2019. Aims at providing potable water in adequate quantity (55 litres per capita per day) of prescribed quality (BIS:10500) on a regular and long-term basis to every rural household through tap water by 2024.

Jal Shakti Abhiyan-I: Launched in 2019 in 256 water-stressed districts to promote water conservation and water resource management by accelerating five interventions (water conservation and rainwater harvesting, renovation of traditional and other water bodies/ tanks, reuse and recharge of bore wells, watershed development and intensive afforestation). (Source: pib.gov.in)

4

% of the world's fresh water in India

16

% of the world's population in India

Addressing the growing water deficit is no longer an option!

Bigger government and municipal outlays for water

Project sizes getting larger

Projects being driven around tightening deadlines

Projects backed by multi-lateral funding agencies



Inauguration of Dinapur STP at Varanasi by the Honourable Prime Minister of India

Smart water management industry

16.60

USD Billion, 2023

44.2

USD Billion (projected), 2032

Desalination

16.60

USD Trillion, global desalination market, 2023

2.35

USD Trillion, global desalination market projection, 2029

Water and waste management sector

328.74

USD Billion, projected 2023

576.43

USD Billion, projected 2032



Part 04

WABAG. Enhancing value for all stakeholders

Our business model is designed to enhance value for all stakeholders in a sustainable way

The big picture

The growing reality defining companies the world over is sustainability.

An increasing number of industry observers are not asking companies how profitable they are but how sustainable they can be, extending the gravity center from living for the quarter to growing for the long-term.

Your Company was built around holistic sustainability, which explains why we have grown across the last century, a period marked by sweeping changes in technology, energy forms, political meltdowns, and trade shifts. Your Company responded with speed, strengthening its competitiveness and holding its own in the exclusive community of large knowledge-led

water management companies the world over.

Your Company's focus on sustainability has become stronger with decades of experience. This overview reviews how we are servicing the needs of each stakeholder, enhancing their value.

Rajiv Mittal

World

Your Company is committed to environment responsibility in its operations. It is continuously deepening environment-friendly processes and practices. These initiatives have translated into an optimum consumption of materials, water and energy, moderating carbon footprint. The result is that in the last few years, our operations have resulted in a lower consumption of non-renewable resources and a lower environment load even as our capacities have increased.

Customers

Your Company serves the demanding and growing needs of municipal and industrial needs the world over. The global downstream sector has responded with a positive spirit to this need for moderated carbon footprint and extending water use. As a responsible future-facing organisation, your Company intends to use less water (and other resources) to help companies enhance water availability, empowering companies to enhance their Triple Bottomline capability. Your Company is engaged in the deployment of new technologies, helping customers enhance their environment responsibility. The Company is also introducing sustainable materials in products in collaboration with vendors and customers. Besides, your Company has been accredited by credible certifications, enhancing customer assurance about our ecological seriousness.

Value chain partners

Your Company is engaged with large Indian vendors. The sustainability of vendor engagement is reflected in the fact that a majority of our procurement was derived from vendors of five years or more. These vendor engagements have been marked by consistency, on-time and in-full delivery, resulting in engagement stability. Besides, these companies are large organisations with process-driven protocols and extensive investments in environment responsibility.

Employees

Your Company is committed to its positioning as a learning organisation engaged in product development, manufacture and marketing. During the last few years, your Company strengthened its positioning as a knowledge-led company through selective recruitment. The Company took conscious steps to induct young talent to strengthen innovation, creativity, energy and excitement.

Shareholders

Your Company strengthened its governance framework by enhancing competitiveness, processes, and digitalisation. This helped enhance revenue visibility and operational predictability, the basis of shareholder value creation.

Community

Your Company is enlarging its CSR commitment in a reasonable radius surrounding its facilities. Your Company has been undertaking CSR projects which have benefited farmers, students and teachers, urban poor. Numerous trainees have been imparted training and development by your Company through NAPS and NATS making them skilled water professionals.

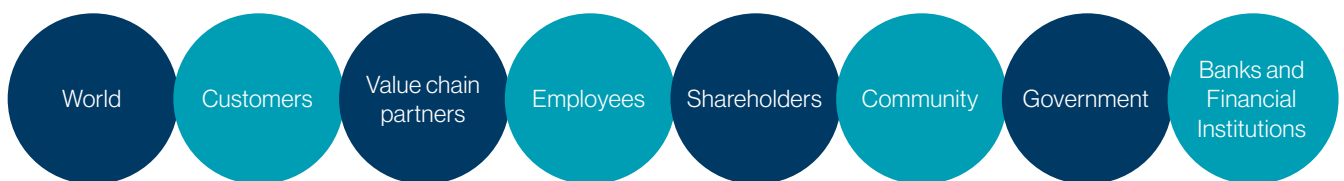
Government

Your Company has been a pioneer in policy advocacy, participating in seminars, public consultations, briefings with Municipal and Industrial sector to further the cause of water management and water security. Your Company also, with its International presence shares best water manager practices across the world for adoption in the emerging economies.

Banks and Financial Institutions

Your Company works with recognised, national and international financial institutions to efficiently manage its fund and non-fund needs.

Our stakeholders



Our sustainability framework

Purpose of existence

- Ensure water security for the world
- Leverage technology for a better world
- To provide safe and clean water

Broad-based approach

- Provide a one-stop water management solution
- Widen and deepen presence across the emerging economies
- Enhance revenue % from Desalination, Recycle and Industrial Water Treatment

Wriddhi approach

- Profitable growth; free cash generation; focus on EP, Industrial, International and O&M
- Global market leadership; optimising global delivery
- Technology, Construction and Financial partnerships

Knowledge excellence

- Create an engineering-focused organisation
- Enhance technology crossflows
- Curate pioneering and customised solutions

Talent productivity

- Emphasise a culture of sustained outperformance
- Empower, delegate and inspire
- Invest in knowledge, experience and passion

Technology focus

- Investing in R&D (centers in India and Europe)
- Deployment of AI/IoT solutions, driving operational efficiency
- Integration of engineering and innovation

Financial structure

- Focus on remaining Cash Positive
- Enhance working capital efficiency remain Asset Light
- Grow on accruals

Community support

- Engage in responsible citizenship
- Focus on integrated rural development
- Widen the circle of prosperity

Brand and customer capital

- Position WABAG as society's trusted brand
- Deliver larger projects at a competitive cost
- Generate savings for customers

Environment integrity

- Reduce resource consumption per unit of production
- Moderate water drawal and energy use
- Benchmark as per prevailing compliance standards

Strategic focus

- Deepening focus in Middle East, GCC, CIS and South East Asia
- Target market is growing in semiconductor, green hydrogen, and bio-CNG sectors
- Pursue partnerships across projects (EPC, EP, DBO, BOOT/HAM and O&M)

Enhancing value through pioneering initiatives across different applications

<p>We are perpetually pushing the frontier in the area of water management</p>	<p>We are doing with a sense of urgency and responsibility</p>	<p>Our solutions have been directed to widen our influence – benefit the largest number of people in the most cost-effective way</p>	<p>We are perceived as responsible cost leaders committed to enhance the spending effectiveness of our customers</p>
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Pioneering initiatives

Drinking water treatment: WABAG is the ideal partner for community water challenges, offering chemical, physical, and biological processes for surface and groundwater treatment. We engineer complete, future-proof plants ensuring strict parameter adherence and high technical reliability.

Industrial water treatment: WABAG is the go-to partner for community water challenges, offering a range of chemical, physical, and biological processes for surface and groundwater treatment backed by extensive process knowledge and complete plant design. WABAG provides innovative technological solution for industrial water. Industrial water is required for a host of applications such as steam production, cooling, process water, demineralised water, firefighting and ultrapure water for industrial processes (Oil & Gas, Refinery, Power, Petro-chemical, Chemical, Steel, Manufacturing, Energy production etc.). A continuous supply of industrial water is crucial for the production processes and economic success of the industries.

WABAG provides automatised water management solutions for industries, offering a comprehensive portfolio

from conventional to high-performance systems. Our expertise ensures secure water supply in terms of quantity and quality, enabling sustainable business.

Desalination: WABAG is a respected one-stop desalination solution provider, marked by growing scale and reduced delivery cost per unit of water. We design complete plants around existing and prospective needs.

Municipal wastewater treatment: WABAG offers cutting-edge solutions ensuring optimal solutions for every requirement - from carbon to nutrient removal leading to superior wastewater purification in municipal wastewater treatment.

Industrial wastewater treatment: WABAG leverages industrial wastewater treatment experience to optimise technically and economically. The approach encompasses aerobic and anaerobic biological processes, as well as chemical-physical processes. The stringent environmental regulations are brought in by many leading countries to address climate change, safeguarding water bodies and environment from pollution. This mandates industries to adopt effective wastewater treatment,

modernisation of existing water and wastewater treatment infrastructure, emphasis on water reuse in industrial process water and implementation of zero liquid discharge.

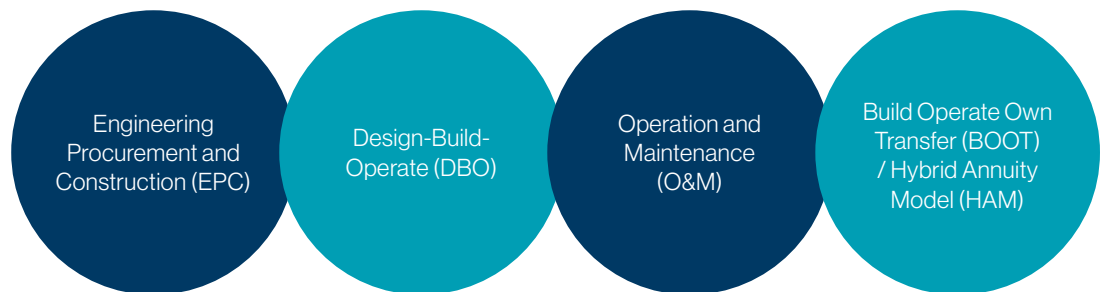
WABAG provides innovative technological solution for industrial wastewater treatment, water reuse, promoting zero liquid discharge (ZLD) technologies and removal of emissions from wastewater treatment plant.

WABAG solutions will not only treat the industrial wastewater but also convert it into quality industrial water, securing natural water resources.

Sludge treatment: The anaerobic stabilisation of sewage sludge yields eco-friendly energy via biogas, allowing large plants to fulfill 100% of their power needs, and address land scarcity for effective sludge handling. WABAG is also currently pursuing production of Compressed Bio Gas (CBG) to yield higher value than energy production.

Innovation centers: WABAG's ongoing R&D is supported by in-house centers in Europe and India (through collaborations with universities and development partners).

Our services



How we are enhancing value for all our stakeholders

Shareholders

- Growing the business through internal accruals
- De-leveraging the balance sheet; superior liquidity
- Enhancing all profitability ratios

Customers

- Dependable long-term partner
- Delivery of quality products
- Value marked by accessibility, availability and affordability

Employees

- Stable career-enhancing employment
- Rich expertise and experience
- Workplace marked by merit, delegation and empowerment

Communities

- Engaged in community welfare
- Widening the prosperity circle
- Addressing unmet water and environment needs of the community

Government

- Timely contribution to the exchequer
- Driving employment
- Leveraging technology for efficiency and competitiveness

World

- Environmental sustainability
- Reliable and affordable access to water
- Powering economies through water solutions



The resources that go into value-creation



Financial capital

We grow our business through funds mobilised from investors, promoters, banks, government and financial institutions in the form of net worth, accruals and debt.



Human capital

We invest in talent (on rolls and contracted), their experience and competence. Our emphasis is to keep investing in our Human Capital with the objective to enhance passion, productivity and performance.



Natural capital

We procure resources derived from nature with a commitment to moderate our environmental impact. Our emphasis is aligned with the needs of the world, encapsulated in generating more from less.



Intellectual capital

We leverage proprietary knowledge to optimise costs and enhance operational excellence. Our emphasis is to enhance the value of intangible properties (brand, goodwill) leading to superior outcomes.



Social and Relationship capital

We deepen investments in communities and partners (vendors, suppliers and customers), securing our stability and corporate citizenship. Our emphasis is on enhancing the stability of this eco-system, strengthening operational efficiency and business sustainability.



How we enhanced value in FY 2023-24

Our services

INR 36 Million in research investment, FY 2023-24



125+ IP rights



100 years of knowledge



Distinctive competitive advantage

Bidding for large complex projects



Accelerated bidding



Rising bidding strike rate



Growing order book

Growing % of industrial projects



Larger % of O&M revenues



Mix of lumpy and annuity incomes



Targeting annuity income to cover all fixed costs

Focus on advances and milestone incomes



Lower working capital load



Focus on increasing working capital turns



Capital efficiency focus

Moderating debt



Driving the business with net worth



Increasing capital employed : Turnover ratio



Increasing capital efficiency

Financial capital

The Company implemented sound financial management practices and utilised the business model to fortify the Balance Sheet and support business expansion.

1823.9

INR Crore, Consolidated net worth

235.6

INR Crore, Consolidated net cash

168.3

INR Crore, Free Cash Flow

19

%, Consolidated RoCE

Service capital

The Company manufactures and manages water at competitive costs with best-in-class quality and conducts business in a fair, transparent and ethical manner

>25

Countries of presence

4

Continents of presence

2500

MLD*, Recycle/Reuse Water

1200

MLD*, Desalination Water

Human capital

The workforce of the Company, including management, employees, and contractual workers, contributes to organisational value through experience and expertise.

914

Permanent employees

76

%, Age profile (% less <45 years)

Intellectual capital

The Company's emphasis on cost efficiency and operational excellence, along with its collection of proprietary knowledge, represents its valuable intellectual assets.

3.6

INR Crore, Investment in R&D

420

Employees with the Company for 5+ years

125+

No of IPRs

Natural capital

The Company is focused on reducing carbon footprint by generating green energy.

82

%, Non-conventional energy utilisation

>40

MW, Green Energy from bio-gas

24

CSR Projects implemented till date

Social and relationship capital

The Company's interactions with communities and partners, including employees, vendors, suppliers, and customers, shape its identity as a socially responsible corporate.

88.8

Million, People served globally

1.41

INR Crore, CSR spend for FY 2023-24

Our global statesmanship

01

Hosted conferences such as 'Manufactured Water' in Chennai and 'Circularity for Sustainability' in Delhi

02

Participation in national and international conferences to promote advanced and innovative water treatment solutions

03

Conducting a series on social media named 'Leaders Speak' to enhance awareness on water and sustainability

04

Launched the 'Execution Excellence' campaign to showcase WABAG's prowess in delivering large complex projects

05

Engaged with stakeholders through select conferences, exhibitions, and technical webinars, enhancing visibility

06

Participated in economic missions alongside political representatives; engaged with Advantage Austria and the Austrian Chamber of Commerce

07

Collaborated with universities, scientific institutions, customers, and national governments for research and development projects

08

Positioned the brand as a European high-end technology provider and equipment supplier, backed by the strength of an international group headquartered in India

09

Classified as a Class I contractor in EPC projects in Kingdom of Saudi Arabia



Guheshwori WWTP, Nepal

Part 05

WABAG: Enhancing performance and strengthening prospects

One WABAG: A global performance review

Review: India cluster

Geographic coverage:
India, Nepal, Sri Lanka,
Malaysia, Singapore,
Philippines, Vietnam,
Bangladesh and Russia

Big message

The Company is adequately placed to service the largest population cluster in the world - with speed, competence and competitiveness.

Overview

The Indian wastewater treatment segment is experiencing an expansion beyond secondary treatment towards recycling, reuse, and the adoption of Zero Liquid Discharge norms. Municipal corporations and industrial facilities along coastal areas are planning to implement desalination plants; there is a trend towards modern membrane-based plants for municipal and industrial water requirements. This market is being characterised by stringent regulations, zero liquid discharge requirements, compulsory utilisation of treated sewage within a 50 km radius of power plants, and countering groundwater depletion. WABAG focuses on tertiary treatment, emphasising recycle, reuse and desalination.

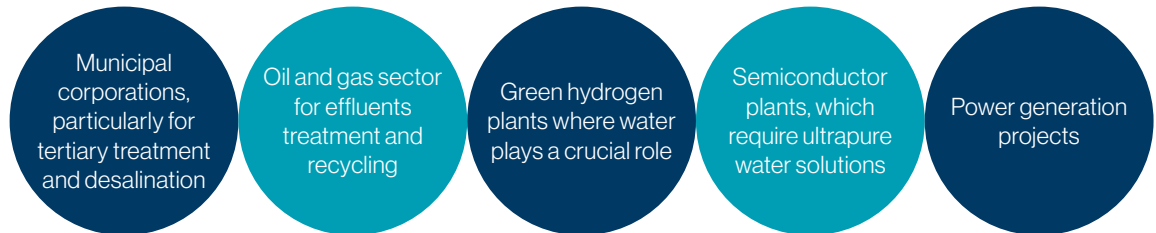
Bangladesh, Vietnam, and Indonesia are recognised as emerging economies poised for significant growth marked by urbanisation and industrial expansion leading to increased demand for municipal and industrial water.

WABAG leverages global experience around Asian price points, ensuring relevance in the local context and emphasis on sewage management and reuse as well as desalination. Wastewater treatment in Indonesia is below 20%, widening the opportunity. In Bangladesh, particularly in Dhaka, multilateral institutions such as the World Bank and the Asian Development Bank have committed over USD 1 Billion to enhance sewage treatment capacity. Vietnam has seen the successful implementation of drinking water public-private partnership and this approach is extending to wastewater treatment.

Business-strengthening initiatives, FY 2023-24

- Commenced the landmark desalination project, 400MLD desal project in Perur (Chennai), the largest desal plant in South Asia;
- Revived the Sibur project amidst the tough geo-political scenario.
- Construction commenced at Sewage Treatment Facility in Dhaka
- Sustained EP focus with construction outsourced in line with strategy
- Continued focus on execution efficiency. Projects are moving towards completion, strengthening cash flows
- Ongoing under-construction project of a tertiary treatment plant at Ghaziabad is on track to serve industrial customers with treated water, creating water security for the business in the water starved region
- Continued focus on business mix of EPC and O&M to enhance the share of O&M projected
- One City One Operator (OCOO) service in two major municipal corporations (Agra and Ghaziabad) in India benefiting customers at large

Industries with water treatment solutions potential



Our approach

Thinking globally while acting locally, manifested in all actions creates competitive edge for WABAG and brings better service to our customers

Strategies tailored around specific needs of the customers and business environment in Vietnam, Bangladesh,

Indonesia, Malaysia and Russia in addition to Indian business.

Strategic partnerships and alliances with local companies or government agencies.

Promote energy efficiency and sustainability in water treatment operations utilising bio sludge to generate bio-gas for captive use.

Promote zero-discharge wherein all wastewater and by-products are recycled into the system.

Continuously evaluate emerging technologies and innovations; incorporating sustainable practices into operations and products to address market expectations and regulatory standards.

Competitive strengths

Professional multi-national management with a customer centric robust global project delivery mechanism customised around local needs.

A comprehensive portfolio resulting in a one-stop solution (Operations & Maintenance coupled with EPC).

Best global references in wastewater treatment and recycling with one of the earliest such plants under operation

in Africa; track record also comprises the successful implementation of cutting-edge technologies like biogas generation in many of the constructed plants in India and across the globe.

Technology edge drawn from a rich institutionalised knowledge reflected in more than 125 IPRs competencies comprising complementary teams, talent, processes, verticals, locations, cost leadership, technology and dependable project delivery.

Technology offering comprising technologies, patents, and collaborations.

Financial robustness, enhancing business sustainability due to of efficient execution.

High market share, the result of a wide range of water treatment solutions tailored to various sectors and applications.

Outlook

WABAG anticipates order book growth in Tertiary Treatment, Recycle & Reuse, Zero Liquid Discharge plants and Desalination, accounting for a high strike rate. A growing focus on DBO and O&M projects could translate into an efficient mix of revenue growth and predictable annuity incomes. Growing water management opportunities out of the green hydrogen and semi-conductor spaces could widen the opportunity canvas. Industrial activities are slated for

growth in various sectors, which is going to create opportunities for water projects.

Management's perspective

"There is a growing demand for technically superior Water management specialists following an increased demand for water on the back of a fastest growing Indian economy and evolving lifestyle standards. There is need for enhanced urgency to make water available to wider population which is reflected in the launch and implementation of long-term policies like

'the Jal Jeevan Mission in India', which provides a multi-year visibility for the sector and focused companies like ours."

Shailesh Kumar

One WABAG: A global performance review

Review: Europe cluster

Geographic coverage:
Austria, Romania,
Germany, Turkey,
Kingdom of Saudi Arabia,
Namibia and North
Africa.

Big message

Despite a strong project pipeline, the Europe Cluster was affected by delays in projects announcements and project awards. In view of this, the performance represented a consolidation. The increased availability of Bilateral and Multi-lateral funding will also give a positive impact in the next years.

Strategic initiatives FY 2023-24

- Restructured to enhance competitiveness
- Deepened presence among large companies, protecting market share
- Activated projects in countries that turned socio-politically stable
- Strengthened the acquisition of local talent
- Balanced head office directional control and cluster decentralisation, accelerating decision making

Competitive strengths

- Century-old proven experience in working across different cultures and countries
- Knowledge capital over 300 professionals in the cluster

- Eco-system development in several countries resulting in reliable and competitive sourcing
- Enduring presence in water-scarce Libya, Egypt, Tunisia and Saudi Arabia
- Demonstrated ability to match the right technology and innovation for specific customer lifecycle needs
- Ability to adapt and grow the business in socially-sensitive geographies like Libya

Outlook

- Sectoral context deepening; countries once water-surplus have turned to increased recycling
- This business cluster intends to deepen technology investments that enhance energy cum environment sensitivity (for example: ZEROPUR®)
- The business will initiate engagements with green hydrogen customers through a pilot unit
- The business will address micro pollutant reduction in wastewater, a niche but growing segment. (The European Union published a regulation for the members, which is mandatory)

Management's perspective

"Our optimism is derived from the fact that the subject of water is occupying the central position within most municipal bodies across our footprint, a larger number of them being convinced that this precious resource not to be used only once. By the virtue of a presence

across most micro-markets, WABAG is attractively placed to deepen its presence and report a better performance."

Mahmut Gedek

One WABAG: **A global performance review**

Review: Middle East-Africa cluster

Big message

The Middle East has emerged as a global leader in water innovation, particularly in the fields of desalination, water and wastewater treatment. The Middle East and Africa water and wastewater treatment market is expected to reach USD 44.5 Billion by 2030 at a CAGR of 4.1% during 2023-2030. WABAG is attractively positioned to capitalise on market growth.

Overview

In Saudi Arabia, where the population is the largest among GCC countries, regulatory changes regarding treated sewage discharge are creating opportunities for recycling businesses. WABAG, with its superior technology and references, is positioned to capitalise. A customer-centric approach has empowered WABAG to prepare technologically optimised proposals around a superior price-value proposition.

Our strengths

Sustainable solution: WABAG's core business of wastewater treatment contributes to environmental sustainability.

Circular economy approach:

Wastewater treatment produces by-products like Treated Sewage Effluent (TSE), dried sludge, pellets, fertiliser biogas and power generation.

Utilisation of treated effluent: This is utilised for horticulture, meeting industry requirements. Sludge from wastewater treatment is converted into fertilisers. Biogas from wastewater treatment powers the plant, the excess fed into the grid.

Enhanced sustainability: Desalination sustainability is ensured through pump efficiency, improving recovery, implementing brine mining, and strategising diffuser assembly to protect aquatic life.

Our strategies

WABAG plans to capitalise on its strong brand reputation as a foundation in the Middle East and Africa region and also CIS countries. The Company will position itself as an total Water solutions Partner total Water solutions Partner in new markets. It will initiate proactive business development to generate inquiries and partnerships. WABAG projects will be aligned with the United Nations Sustainable Development Goals (SDGs).

Way forward

"Significant opportunities have been identified in the areas of desalination, waste water treatment plants, and Operations & Maintenance (O&M) projects. WABAG is very well positioned to carve out a substantial portion of this vast Opportunity"

Rajiv Mittal

Our priorities

Industry leading project trackers

Internal database insights

Strategic partner connections

Active customer engagement

Go-to-market strategy optimisation

Part 06

Our Business

Desalination

WABAG seeks to carve out desalination leadership - global and Indian – through validated proprietary technologies

Context

The two compelling realities the world over comprise an increase in the global population and urbanisation on the one hand and a decline in the availability of fresh water on the other. This makes desalination a sunrise business with growing global need and importance. The Company is attractively placed to capitalise on the deepening global trend by the virtue of being ranked among five top global desalination Players by GWI.

Overview

At WABAG, we entered the business of desalination in 1975 (the first WABAG desalination project for Buna, Germany, was awarded in 1975 and went into operation in 1977). However, even as this business has been around for decades, it is only now entering a new phase in its existence, marked by a greater visibility in government policies, announcement of larger projects and the rollout of a large number of projects.

This inflection point in the existence of the desalination sector has not come a day too soon. There is a growing allocation for desalination in public infrastructure projects on account of rising population, increasing urbanisation, and increased incomes leading to transformed lifestyles, increase in personal water consumption and a growing use of water in industrial applications (including solar energy).

These realities indicate that national and urban water consumption could increase

significantly from this point onwards, increasing the pressure on municipal bodies to generate a growing throughput of water for citizens.

Even as the demand side of water has been growing continuously, there has been static or even marginally declining supply side. Fresh water sources are limited, surface water has been declining and the cost of extracting sub-surface water is being increasingly considered inadequate and expensive. In view of this, desalination represents the last hope for urban agglomerations that are not near perennial rivers but proximate to seas, bays and oceans. Desalination makes it possible to convert sea water into a potable resource through scale, efficiency, safety, continuity and cost competitiveness. In view of this reality, desalination is seen as the last great solution in a water-stressed world that could, over time, define the location and sustainability of large human settlements.



Our presence

At WABAG, we have been engaged in this business for 54 years, bringing to our customers distinctive knowledge capital aggregated across more than 68 desalination projects. The Company worked on an aggregate 1200 MLD of projects across locations.

The Company possesses proprietary turnkey project management capabilities in the areas of Design & Engineering, material procurement, project execution and cash flow management. Vast experience in O&M goes a long way in designing and engineering projects, creating robustness. This complement makes it possible for the Company to act as a one-stop solution provider for demanding customers the world over.

Over the years, the Company has progressively and steadily grown its project qualification credentials the world over, making it possible to win large, complex and prestigious contracts.

Our achievements, FY 2023-24

The Company achieved a decisive breakthrough when it was awarded the 400 MLD sea water reverse osmosis (SWRO) project in Perur with a contract value of ~ INR 4,400 Crore (previous highest for the Company was a 110 MLD project with a contract value of ~ INR 1,033 Crore)

The Company made business development integral to its go-to market strategy even before the bidding or marketing stage.

The Company responded to the following needs of its customers by charting out a desalination journey for them, preparing it for follow-on capacity expansion cum investments, strengthening mutual business sustainability.

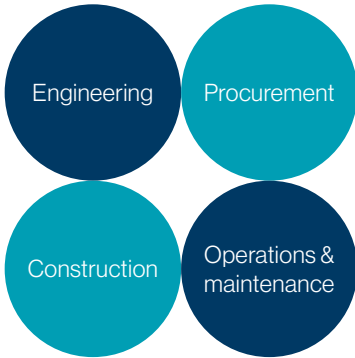
The Company deepened its positioning as an industry statesman by promoting desalination as part of university curricula.

The Company enhanced its trade visibility through an increased presence in industry conferences and being a prominent recruiter of competencies at college campuses.

Our outlook

The Company will continue to bid for new projects, strengthening its order book. By balancing the two – projects completion with new wins – the Company expects to maintain a head-to-tail ratio that grows this business on the one hand without stretching its financials on the other.

Our one-stop solution capability



Our competitive strengths

Scale: The Company is ranked among top five global desalination players by GWI and is a leader in India

Solution provider: The Company provides a one-stop solution, a rare feature in the sector

Flexible: The Company provides flexible long-term operations maintenance

Promoter profile: WABAG promoters are technocrats and professionals, resulting in informed strategic decisions

Vertical: The Company's desalination segment represents a full-fledged standalone business

Creative: The Company customises its engineering and operational competencies to build compact desalination projects

Timely: The Company enjoys a credible timely projects completion record, resulting in repeat orders from existing customers and references

Investment: The Company has invested talent in this business with a long-term horizon, accounting for 30% of the Company's total talent.

Design: The Company has dedicated professionals in excellence centres based in India and across the world to cater to this business.

Eco-system: The Company is supported by a range of value chain partners (global and Indian), making it possible to turn projects around with speed.

Our landmark Perur desalination project

- The largest such project in South East Asia
- Will graduate Chennai into the desalination hub of SE Asia
- Graduated from 110 MLD projects to 400 MLD project
- Project won against stiff international competition
- Project will increase Wabag's share in managing desalinated water of Chennai from 30% to 70%.
- Will supply clean drinking water to over 2.7 Million residents in Chennai
- Project comprises a 42 month construction period followed by a 20-year operations and maintenance
- Will reduce water logistic costs and environment load
- Ideal launch pad to graduate to 1000 MLD projects
- 4,400 Crore project
- The fourth desalination plant in the city after the 110 MLD and 150 MLD plants in Nemmeli, and the 100 MLD plant in Minjur.
- Funded by the Japan International Cooperation Agency



Foundation Stone laying ceremony of 400 MLD Perur SWRO, Chennai

Operation & Maintenance

How WABAG created a follow-on business with assured annuity income

Context

Operating and maintaining executed projects is a growing business following initial project commissioning as companies seek to maximise asset utilisation and capital efficiency of their spending. WABAG has transformed this opportunity into an asset-light business with growing potential, enhancing overall profitability and enhancing its reputation as a one-stop life cycle solution provider.

Overview

WABAG's operations & maintenance business covers water and wastewater treatment projects for municipal and industrial customers, encompassing drinking water treatment plants, sea water reverse osmosis plants, integrated effluent treatment plants with RO, sewage treatment plants, tertiary treatment plants, and zero liquid discharge facilities.

Effective operation and maintenance services not only ensure predictable revenues but also deepen customer relationship. These services allow the companies to extend market presence, deepen brand, leverage design, engineering and technology to provide services automated to enhance plant performance, regulatory compliance and uptime.

WABAG's value proposition comprises expert design solutions, proactive problem-solving, responsive support, customised plant operations, and continuous improvement in water outlet quality throughout the plant lifecycle. It is that part of the business that enhances the effectiveness of the original capital expenditure.

Challenges and mitigation

Presence of local small players:

Presence of local small players with limited resources and expertise in plant operation and maintenance.

Mitigation: The Company differentiates itself by emphasising the advantages of choosing a professional organisation with experienced and skilled personnel to manage plant operations and maintenance effectively, ensuring optimal performance and compliance with the regulatory standards.

Asset management: Inadequate management of water sources, leaky distribution networks, and untreated wastewater pose significant challenges.

Mitigation: The Company implemented comprehensive water management plans to manage water sources, minimise leakages in distribution networks, and ensure proper wastewater treatment. The untreated wastewater affects the water bodies, depleting the oxygen in the water which is a threat to the aquatic animals and organisms. WABAG ensures proper treatment of any wastewater to maintain the eco-system and lead to sustainability.



Completed 10 successful years of O&M of 110 MLD Nemmeli SWRO Plant, Chennai

Lack of long-term planning: The government needs to prioritise long-term planning that considers community needs, infrastructure, water resource sustainability, and financial aspects of operation and maintenance projects.

Mitigation: The Company engaged with the communities, stakeholders, and experts to gather inputs and ensure that planning efforts address diverse perspectives and concerns. WABAG undertakes long-term DBO engagements, which includes a specialised O&M model to minimise the cost and enhance the life cycle of the treatment system for a period of 15 to 20 years.

In-house products: Preference for companies manufacturing in-house products like chemicals and membranes due to the Make in India initiative.

Mitigation: WABAG collaborates with chemical suppliers to secure better rates with quality and ensure reliable service support for comprehensive operation and maintenance orders. Further, different vendors possess their end solutions for operational challenges. WABAG utilises

its expertise to create a sustainable and profitable business proposition for customers.

Preference for MSMEs: Preference for Micro, Small, and Medium Enterprises (MSMEs) in operation and maintenance service jobs, leading to potential pricing disadvantages for larger companies like WABAG.

Mitigation: Focus on promoting comprehensive tenders that encompass various aspects of O&M services, eliminating the MSME preference factor. The Company engages MSMEs as subcontractors within the framework of comprehensive projects, ensuring equitable opportunities while still delivering high-quality services.

Strengths

Design expertise: The Company's O&M services are backed by extensive design, ensuring that treatment plants are operated efficiently and effectively.

Problem-solving: The Company's skilled technicians and engineers are equipped to address operational challenges,

offering timely solutions to optimise plant performance.

Timely support: The Company provides prompt and reliable support to ensure smooth plant operations at all times.

Plant optimisation: The Company focuses on running treatment plants as per specific requirements, continuously monitoring and controlling processes to enhance outlet water quality and efficiency.

Preventive maintenance: The Company minimises breakdowns and downtime by conducting regular preventive maintenance activities, ensuring the longevity and reliability of plant equipment.

Proper chemical treatment: Applying the appropriate quantity and type of chemicals for effective water treatment with the minimum use of the chemicals.

Employee training and safety: Allocating resources to train the employees in different treatment technology like quality monitoring, optimisation, preventive maintenance, equipment handling and safety protocols adherence.

Technologies used

SCADA and IoT monitoring:

The utilisation of big data analytics and the Internet of Things (IoT) facilitates real-time monitoring and control of water treatment procedures, enhancing decision-making, predictive maintenance, and resource management optimisation. This guarantees superior service quality and reliability.

AI-driven approaches: Artificial Intelligence (AI) is harnessed to optimise energy usage and productivity, with emerging market entrants incorporating data and AI-driven strategies to enhance precision in O&M operations.

Strategies

- Extend the duration of operations & maintenance tenders to a minimum of 5 to 10 years, incorporating an appropriate escalation clause to enhance stability.
- Concentrate on securing comprehensive operations & maintenance tenders from the refinery and power sectors.
- Enhance the value proposition of municipal tenders by integrating modification components alongside operation and maintenance services to offer a comprehensive solution.
- Develop client relationships and conduct thorough assessments of financial standing and to assess operation and maintenance partnership.
- Focus on large value accounts while emphasising the involvement of the Company's design expertise in project execution, highlighting the added value and quality assurance it brings to the partnership.

- Provide design and construction services alongside operation and maintenance, emerging as a comprehensive one-stop solution provider.

Skill development initiatives

Professional development: Offering training initiatives to ensure workforce proficiency with current O&M practices and technologies.

Safety training: Providing thorough safety training to all team members to reduce accidents and foster a safety-centric work environment.

Knowledge sharing: Establishing avenues for knowledge exchange, enabling the employees to benefit from each other's insights and experiences.

Leadership development: Spotting potential leaders and offering leadership training for managerial positions.



One City One Operatory project - Agra & Ghaziabad

Successful O&M projects across the world.

- The One City One Operator model marks a paradigm shift in India's sewage management as a one-stop solution for sewage management of an entire city.
- The Operation, Maintenance and Management of the sewage treatment and network infrastructure in the cities of Agra and Ghaziabad
- Operation and maintenance of 110 MLD desalination plant at Nemmeli for Chennai metropolitan water supply and sewerage board
- Operation and maintenance of 300 MLD water treatment plant, Redhills for Chennai metropolitan water supply and sewerage board
- Operation and maintenance of 45 MLD (TTRO) at Koyambedu for Chennai metropolitan water supply and sewerage board
- Total water treatment solution consisting of RWTP (Raw Water Treatment Plant), UF-RO (Ultra Filtration Reverse Osmosis), DM (Demineralisation) and ETP (Effluent Treatment Plants) packages for HPCL-Mittal Energy Limited (HMEL)
- Modernisation and operational management of wastewater treatment plants of OMV Petrom at Petrobrazi refinery, Romania
- Operation, Maintenance and Management of the entire wastewater infrastructure of Istanbul, Turkey under One city one operator model.
- Operation, Maintenance and Management of 40 MLD Madinat Salman STP in Kingdom of Bahrain.
- Operation and Maintenance of various systems and components of highly developed water infrastructure for Public Utility Board, Singapore
- Operation and Maintenance of 40 MLD Madinat Water Reclamation Plant in Egypt

Way forward

By prioritising the establishment of robust relationships with clients through consistent and superior service delivery, the Company aims to build trust and foster lasting partnerships. Moreover, offering competitive pricing for cost-effective solutions remains a key strategy to attract and retain clients. Additionally, leveraging cutting-edge technology and innovations is crucial to enhancing operational efficiency and demonstrating value to clients.



Water reuse

Wabag's water reuse management

Context

There is only 3% fresh water available as earth's natural resources continue to decline and the global population increases by 80 Million people a year. However, population growth and urbanisation are by no means the sole reasons for growing water shortage; the world is marked by climate change, growing agriculture and industry consumption, infrastructure deficiencies, pollution, groundwater reserves overexploitation, water wastage and dam building. In many regions, access to clean drinking water is not a matter of course; secure supply is possible only through alternative resources. Reclaimed water represents a viable option for water augmentation coupled with a certainty that its utilisation and consumption do not involve human risks.

Overview

WABAG excels in water reuse and recycling, pioneering concepts. Over the past two decades, we have implemented more than 60 projects encompassing applications like direct potable reuse, agricultural reuse, urban reuse, and industrial potable reuse. This track record underscores our global leadership in advancing modern water reuse and recycling practices.

Impact

The high degree of purification allows water re-use for landscape irrigation or as processed water for industrial and indirect discharge into nearby water extraction areas.

Strengths

Core technology: An extensive technology portfolio includes proven process expertise and decades of experience.

Our approach: One-stop solution provider encompassing Engineering, Procurement, and Construction (EPC), Design-Build-Operate (DBO), and Build-Own-Operate-Transfer (BOOT)

Achievements

Direct potable re-use: We built a pioneering direct potable reuse plant in Windhoek, Namibia, transforming domestic secondary effluent into quality drinking water.

Agricultural re-use: We built three small-scale municipal wastewater treatment plants – Sidi Bou Ali, El Jem and Querdanin WWTP – for the Onas. These plants feature advanced three-stage treatment, ensuring the safe reuse of treated wastewater for agricultural irrigation.

Urban water re-use: We built an 80 MLD water reclamation plant at Madinaty (Cairo), contributing to the development of a new, eco-friendly city in Egypt. This



TTRO Plant, Koyambedu, Chennai

project enhances life quality for residents by providing abundant green spaces and recreational areas, while emphasising environmental conservation.

Industrial water re-use: We built 180 M3 P/H Centralised Zero Liquid Discharge (ZLD) for a 3 MTPA steel plant of NMDC at Nagarnar, incorporating advanced technologies like ultra-filtration and reverse osmosis to treat effluents generated during steel production. These technologies reclaim and reuse purified water as makeup cooling water. The plant achieved zero liquid discharge through a multistage process, which includes a reject reverse osmosis unit followed by a multiple effect evaporator, operating with an overall efficiency of 90%.

We are currently executing a 56 MLD Tertiary Treatment Reverse Osmosis (TTRO) treatment plant in Ghaziabad,

utilising used water sources to produce industrial water. The reclaimed water will be supplied to industries within the Sahibabad Industrial Estate, Ghaziabad, promoting the use of TTRO-treated water as a sustainable alternative to the rapidly depleting groundwater currently employed.

We constructed a 45 MLD TTRO plant at Koyambedu to produce quality industrial water from Municipal sewage. This water is transported through a 60 km pipeline to industries (predominantly automotive), located in Irungattukottai, Sriperumbudur and Oragadam. The tertiary treatment facility employs cutting-edge ultrafiltration and reverse osmosis technologies to ensure consistent water quality and reliable water supply.

We completed an environment friendly and cost-effective water management

project with an effluent treatment and water reclamation plant for IOCL Paradip refinery. This facility ensures sustainable water recycling and reuse by treating effluents from a new 15 MMTPA grassroots refinery, landfill leachates, spent caustics, and reject water through Hard COD management. Key technologies in the effluents treatment plant include free oil removal (API, TPI, DAF, Wet Air Oxidation) and biological treatment. The reclamation plant utilises rapid gravity sand filters, basket strainers, ultrafiltration, and reverse osmosis, achieving a water recovery of approximately 85%.

Outlook

The reuse market is expected to grow, manifold across the globe. Recycle and reuse will become the norm as water is too precious to be used only once.

Our projects

Shiraz, Iran

Madinat
Salman,
BahrainJazan
Economic City,
Saudi ArabiaBeni Messous,
AlgeriaChennai
Petroleum
Corporation
Limited, IndiaPanipat
Refinery, IndiaReliance
Industries
Limited, C2
Refinery, India

Engineering excellence

How engineering excellence is powering WABAG

Context

WABAG is among the most respected water engineering companies in the world, covering the spectrum of water treatment processes. The Company's competence – conceptualisation to execution – is the robust outcome of the engineers collaborating with researchers, environment experts and stakeholders to deliver holistic solutions. These solutions have, over the years, translated into larger projects and a lower delivered cost of water for society, deepening the Company's respect for taking humankind ahead.

Overview

WABAG possesses deep Indian engineering capabilities in taking global projects ahead. The Company's design centers are located in Chennai, Pune, Noida, and Vadodara, Turkey, Cairo and across the world, staffed by more than 200 multidisciplinary engineers and designers supported by cutting-edge platforms (Plant 3D, Smart plant 3D and E3D).

WABAG (ISO-certified since 2000) prioritises continuous improvement through a robust Quality Management System (QMS) that encompasses engineering processes. Each document undergoes a checker, reviewer and approver cycle before submission to the customer, validating attention to detail.

Interdisciplinary checks, facilitated by our engineering and technology and technical services teams, integrate operational insights into engineering solutions, ensuring a highly customer-centric approach. Additionally, periodic risk assessments involve all project stakeholders, enhancing project efficiency and effectiveness. WABAG conducts various in-house engineering studies such as HAZOP, constructability review, and operability review, bolstering solutions reliability.

Challenges and mitigation

Diverse terrains: Each project undertaken by WABAG presents unique terrain challenges.

Mitigation: The Company customised solutions through planning from the initial basic engineering stage.

Project domains: The Company executes projects across domains (drinking water, industrial process water, domestic sewage, industrial wastewater, sludge management, desalination, and recycling and re-use plants), which could stretch capabilities.

Mitigation: The Company possesses distinctive capabilities and resources.

Regional requirements: Working in different countries enhances complexities as projects need to adapt to regional regulations, environmental conditions and cultural nuances.

Mitigation: The Company adapted to regional requirements while maintaining quality consistency and efficiency.

Strengths

Regulatory understanding: Regulatory compliance begins at the design stage. WABAG emphasises an understanding of regulatory standards and environmental requirements.

Emissions reduction: In green energy plants, WABAG went beyond compliance needs by working on exhaust gas emission solutions.

VOC emissions reduction: In refinery projects, WABAG demonstrated commitment to environmental



Zarat SWRO Plant, Tunisia

stewardship by developing solutions to reduce volatile organic compound emissions.

Water quality monitoring: WABAG maintains a rigorous monitoring of water quality throughout the treatment process.

Customised: WABAG customises solutions, ensuring that design and implementation are aligned with the unique requirements of projects and regions.

Collaboration: WABAG encourages collaboration and knowledge sharing among its global teams.

Our projects

Chennai green energy project: WABAG pioneered India's first green energy project, utilising municipal sewage in 2006.

Nemmeli desalination plants: WABAG's desalination plants in Nemmeli feature open intake facilities and utilising ultra-filtration as a pretreatment system.

Reliance partnership: WABAG's partnership with Reliance led to the successful completion of the reuse of PTA wastewater at the Dahej complex, involving advanced biological treatment and reuse technologies.

Petronas Malaysia project: Entrusted with treating complex wastewater for one of the world's largest petrochem complexes, WABAG selected advanced treatment technologies and integrated engineering using Smart Plant.

Dangote Nigeria solution: WABAG provided a comprehensive solution for total water management, incorporating advanced biological treatment and appropriate technologies for refinery and reuse solutions.

Sibur Russia project: Overcoming the challenge of a temperature-controlled environment, WABAG implemented advanced technological solutions for water management, using an integrated engineering platform called AVEVA E3D.

Saudi Arabia projects: WABAG executed multiple projects in Saudi Arabia, including treating municipal wastewater and sea water desalination for customers like Marafiq, Saudi Aramco, and SWCC. Advanced technologies such as aerobic granular sludge treatment were employed, showcasing competitive engineering solutions.

Way forward

WABAG will prioritise execution speed, focusing on integrating engineering platforms for efficiency gains and task automation. The Company will seek opportunities for solution repeatability and reusability, supported by a tool featuring enterprise search capabilities for streamlined knowledge retrieval. The Company is advancing AI applications for predictive maintenance and document generation, while aligning with green initiatives such as green hydrogen production.

Some Initiatives of WABAG

- Introduced space-saving Lamella Plate Settler design
- Implemented cast-in-situ nozzle floor under drainage system for filters
- Deployed extended head backwash system with flap valves for dual media filtration
- Utilised biogas engines for green power generation
- Recycle of treated industrial used water
- Re-cycle of treated municipal water for industrial applications.
- Engineered and donated a mobile truck-mounted plant, facilitating the delivery of clean drinking water to communities

Execution excellence

WABAG's efficient project management

Context

There is an increasing focus on engineering-driven water management projects on accounts of space constraints, need for growing scale and complexity.

WABAG excels in managing large-scale engineering, procurement, and construction (EP/EPC) projects. The Company focuses on high value segments Industrial, desalination, water recycling and reuse) with leadership as an advanced technology provider.

Overview

WABAG focuses on growth in India, the Middle East, ASEAN, Africa, and Central Europe, marked by a global delivery model and strategic partnerships for EP, EPC, DBO, BOOT/HAM, and O&M projects.

Key ongoing projects comprise the Chennai 400 MLD desalination project, 200 MLD sewage treatment plant project in Pagla (Bangladesh), and an effluent treatment plant project for Saudi Aramco in Ras Tanura.

Strengths

Our approach: The One WABAG approach enables seamless resource allocation, facilitating project execution.

Continuous improvement: WABAG's commitment to continuous improvement is bolstered by a knowledge-sharing

portal that serves as a repository for sharing ideas, learnings and best practices.

Technological innovation: Innovation comprises cutting-edge technologies and methodologies to optimise water treatment processes.

Achievements

- The Chennai 400 MLD desalination and Pagla 200 MLD sewage treatment plant projects are likely to be completed in 42 months and 36 months respectively.
- The operations are marked by safety person-hours across projects.



Contract signing Ceremony of 200 MLD Pagla STP, Dhaka

Successful global water treatment projects

MARAFIQ SWTP, KSA: Leveraged the One WABAG concept for successful project implementation. This was an EPC project in Saudi Arabia executed by a project management team locally based out of Saudi Arabia, supported by procurement from India, engineering from Turkey and India and management from UAE.

Al-Ghubrah SWRO, Oman: Built Al-Ghubrah seawater reverse osmosis (SWRO) plant. Among Oman's largest desalination plants.

Jeddah ISTP, KSA: One of the largest NEREDA plants globally and first time in the Middle East with bio gas generation, demonstrating an innovative wastewater treatment approach with low foot print.

AMAS STP, Bahrain: Built a state-of-the-art WWTP for a new township located on reclaimed land in Bahrain. Purified water will be reused to cater for the entire irrigation water requirements for all 13 islands.

Zarat SWRO and Senegal SWRO: Successful implementation of seawater desalination plants in Tunisia and Senegal

Key ongoing projects

400

MLD, Desalination plant in Perur, Chennai

200

MLD, Sewage treatment plant in Pagla, Bangladesh

20

MLD, Industrial Wastewater Treatment Plant (IWWTP) at Ras Tanura Refinery Complex, Kingdom of Saudi Arabia

Key reference projects of WABAG

Madinat Salman 40 MLD sewage treatment plant, Bahrain (Awarded Wastewater Project of the Year at Global Water Awards, 2019)

140 MLD sewage treatment plant, Dinapur, Varanasi, India

32 MLD drinking water treatment plant, Dambulla, Sri Lanka

110 MLD sewage treatment plant, Kodungaiyur, Chennai, India

191 MLD SWRO (desalination) plant, Al Gubrah, Oman

110 MLD SWRO (desalination) plant, Nemmeli, Chennai, India

50 MLD BWRO (desalination), for Reliance Industries, Dahej, India

54 MLD effluent treatment and recycling plant, for Indian Oil Corporation Limited, Paradip, Odisha, India

102 MLD industrial effluent treatment plant for Petronas, Malaysia

Total city wastewater management, Istanbul, Turkey for 16 Million inhabitants

5 MLD industrial water reclamation plant, Ujams, Windhoek, Namibia

21 MLD New Goreangab water reclamation plant (DPR), Windhoek, Namibia

130 MLD drinking water treatment plant, Tanzania

14 Sarneraatal WWTP, Alpnach, Switzerland

Industrial effluent treatment plant for Phillip Morris, Otopeni, Bucharest, Romania

Produced a water treatment plant for Suplacu, Romania

2 x 40 MLD WWTP and Water Reuse Plant Madinaty, Egypt

80 MLD El Raswa II WTP & 75 MLD Suez WTP, Egypt

360 MLD Izmir WTP, Türkiye

145 MLD Sanliurfa WWTP - 75% energy-self-sufficient, Türkiye

3-steps project: Wastewater treatment and water reuse plants in Tunisia

45 MLD Koyambedu TTRO recycle reuse plant, Chennai, India

120 MLD wastewater treatment plant (WWTP) in Jubail, Kingdom of Saudi Arabia

91 MLD wastewater treatment plant, Pappankalan, New Delhi, India



Dambulla WTP, Sri Lanka

Supply chain and logistics

WABAG's sustainable procurement and logistics framework

Overview

WABAG procures from a dependable eco-system.

The eco-system comprises reputable international brands.

The Company engages key equipment suppliers from the proposal stage comprising global brands.

WABAG's meticulous vendor onboarding comprises a validation of essential details overseen by dedicated engineers.

Strengths

Partnerships: The Company enjoys strategic partnership with reliable suppliers for essential materials and equipment.

Techno-commercial expertise: Procurement processes are managed by engineers who possess technical and commercial acumen.

Compliance: The Company adheres to regulatory requirements throughout the vendor onboarding process.

Localisation of suppliers: For non-technical supplies, the Company prioritises sourcing from suppliers located close to project sites.

Quality assurance: Rigorous quality assurance measures are implemented to maintain the quality of procured materials and equipment.

Inventory optimisation: The Company employs advanced inventory management to optimise stock levels and minimise holding costs.



Employee **speak**



What our employees have to say about working at the Company

WABAG's culture nurtures learning, innovation, and growth, making it an ideal workplace for those hungry for knowledge and eager to excel. The organisation's support extends beyond current employees, **demonstrating care for all associated with the WABAG family.**"

"During a challenging period when my father was ill, **the Company's flexible approach allowed me to balance work commitments with family responsibilities.** WABAG fosters job satisfaction through its culture of recognition, rewards, and excellent employee benefits, making it an ideal workplace for personal and professional development."

"WABAG offers abundant opportunities for personal growth and exploration. I had the privilege of being part of **WABAG's flagship programs like YEP, LEX and Hipot. Starting as a process trainee engineer, I transitioned into project management, leading to executing key projects in the Middle East.** There is always an emotional connect in the WABAG family and this culture fosters longevity."



"WABAG promotes creativity, problem-solving, and collaboration, creating a fulfilling work culture. **It is a workplace where employees thrive.**"



"With a diverse workforce spanning 27 countries, collaboration is, led by a passionate CMD. **It is an inspiring place to work.**"



"As a WABAGite, I'm inspired **by the organisation's prestige** in the water field and feel fully supported to excel in all aspects, including family commitments."

"Joining WABAG was initially for financial reasons, but after 18 years, it is a platform to expand knowledge. Recognition as a star performer and **ESOPs twice enabled significant personal milestones like home ownership.**"

"Personalised coaching and recognition, including awards and ESOPs, underscore **WABAG's commitment to employee growth.** This supportive workplace culture makes WABAG an ideal employer, fostering professional excellence and a drive to succeed."

"It has been an incredible 21-year journey, **marked by safety for women employees and proud of our inclusivity.** i am honored to be a part of Women of WABAG."

"Grateful for the work-life balance and growth opportunities. I am proud of WABAG's commitment **to women empowerment and equal opportunities.**"

"WABAG stands out: from **gender-neutral interviews to supportive HR and colleagues. I am grateful for the inclusive environment.**"

Responsibility

Quality, health, safety, and environmental excellence at WABAG

Overview

At WABAG, prioritising health, safety, and environment is fundamental to our business. The safer our business environment, the more motivated our people and the better their productivity.



#1

Our quality commitment

At WABAG, we prioritise efficiency and delivering high-quality services to our customers. Through proactive engagement, we understand their needs and utilise new technologies to drive appropriate improvements. Our focus on effective procedures ensures excellence across all processes, with a commitment to quality products, services, and performance from the outset. A seamless re-certification process for our Integrated Management System (ISO 9001:2015, ISO 14001:2015, ISO 45001:2018) underscores our dedication to rigorous standards.

These are some of initiatives that we implemented:

- Launched a structured competence enhancement program for quality professionals, incorporating mapping and training to enhance skills
- Adopted a secure data management system, utilising the WRENCH software application - Wrench Smart Project - Engineering Document Management System (EDMS), collaborative platform for efficient engineering document management application, to ensure safe data storage and retrieval
 - First In First Out (FIFO) methodology was implemented across EPC sites, streamlining operational and maintenance procedures for plant management
 - Supplier registration process entails thorough checks on processes, certifications and credentials to enhance quality and reliability
 - Annual client satisfaction surveys help gauge satisfaction levels and improvement areas

#2

Our health and safety commitment

At WABAG, our Health and Safety Management System ensures a conducive working environment, prioritising the protection of personnel's health and safety, including employees, contractors, and visitors, aligning with the principles of ISO 45001:2018 certification. This system encompasses policies and procedures, aiming to keep all stakeholders informed, trained, and engaged. We established operational control procedures for site operations, fostering a safe work environment and prioritising worker safety.

Our related initiatives comprised the following:

- Organised periodic medical camps to protect employee health and safety
- Continuous improvement through training programs, enhancing awareness and skills
- Provided first-aid training and general health checks for employees and workers
- Campaigned for heat stress prevention to prevent heat-related illnesses
- Shared health topics with employees and workers through daily toolbox talks
- Conducted health camps at EPC, BOOT/HAM, and O&M sites
- Introduced an e-learning program for the employees
- Energy control measures were introduced in the Chennai corporate office, resulting in an energy performance indicator of over 90 kWh/year, surpassing the prescribed level for IGBC platinum rated buildings
- Implemented control measures in the water management system, reducing water use per person per day.

#3

Our environmental commitment

At WABAG, environmental considerations are integrated into operations. Through demand-side measures, the Company reduces, recycles, and reuses water. The Company's cutting-edge sewage treatment plants comprise tertiary treatment capabilities, ensuring zero wastewater discharge from campuses. Through the ISO 14001:2015 system certification, the Company adheres to the Plan-Do-Check-Act (PDCA) cycle, underlining a commitment to environmental stewardship. Guided by our vision, 'Sustainability Solutions for a Better Life' the Company prioritises resource reduction and optimisation, pollution prevention, waste management, and responsible resource utilisation.

Our related initiatives comprised the following:

- Initiated lake rejuvenation projects near our campus
- Conducted weekly training for the employees at the headquarters, focusing on Environmental, Social, Health, and Safety (ESHS) aspects, World Bank guidelines standards, IFC performance standards, ADB safeguard policies, etc
- All sites and plants undergo inspections by external agencies to ensure compliance related to air cum water quality and noise levels

#4

Our commitment to water management

At WABAG, a mandate addresses industry benchmarks for water discharge. We offer innovative and sustainable solutions to industrial and municipal clients worldwide, specialising in

desalination, water recycling, wastewater treatment, and comprehensive water management. WABAG plays a leading role in addressing global water challenges.



Our commitment to energy management

Energy management is pivotal to operations, marked by a need for optimised efficiency, sustainability, and cost-effectiveness. The Company is committed to minimise energy

consumption by investing in energy-efficient equipment.



Our commitment towards a green earth

WABAG has demonstrated dedication to a greener planet for more than nine decades. Our vision aligns seamlessly with the United Nations Sustainable Development Goals (SDGs) 2030. Over 97% of the power requirement at the Company's headquarters in Chennai is sourced from wind energy; WABAG house was re-certified as a Platinum-rated green building by the Indian Green Building Council. WABAG HOUSE has been certified as a 'NEAR NET ZERO ENERGY Building' by the CII-IGBC. However, our journey towards global leadership in green energy certification does not end here. It is the beginning of a new chapter in our pursuit of sustainability excellence. Our aim is to set higher standards and achieve the following certifications:

1. Platinum rating in Net Zero Energy by Year 2025
2. Water Positive Certification by Year 2024
3. Gold rating in Waste Management by Year 2025

4. Gold rating in Employee Health & Well-being by Year 2025
5. Carbon Neutral certification by Year 2026

Our initiatives comprised the following priorities:

- Paper waste is sent to an external agency for recycling; the proceeds obtained in the form of stationery are distributed to local panchayat schools
- Batteries, oil waste, and e-waste are disposed of for recycling through Pollution Control Board-authorized recyclers
- Ergonomics, indoor air quality, and LUMO level maintenance are in line with the standards
- Diligent energy and water management have led to a significant reduction in the Energy and Water Performance Index
- Introduced an e-tender process for procuring materials
- Helped rejuvenate the Ganga river under the Namami Gange program, the world's largest river cleaning initiative



Our commitment to a circular economy

WABAG is a frontrunner in promoting a circular economy through pioneering solutions. WABAG built sewage treatment plants for resource recovery, extracting treated wastewater for non-potable

purposes, renewable energy from biogas, and nutrient-rich fertilisers.

How we are helping build stronger communities



CSR benefits

Through NAPS & NATS

Skill development trainings to water professionals.

6,000+

School students and teachers

3,500+

Farmers

Overview

WABAG is a responsible and sensitive corporate. The Company is not only driven by the need to make the world a better place through projects that enhance water security but also through a widening prosperity circle.

CSR Committee

The Company's Board of Directors established a CSR Committee tasked with developing policies, approaches, and guiding principles for the selection, implementation, and monitoring of CSR activities. This Committee's work served

as the basis for the creation of standard operating procedures by the Company, ensuring the effective implementation of CSR projects. The Committee is chaired by Mrs. Vijaya Sampath, who is the Independent Director.

Awards and Accolades in CSR

Award 01
BT – CSR Excellence
Award 2016

Award 02
Excellence awards for
best CSR in the water
sector (2018 & 2019)

Award 03
CSR Journal
Excellence Awards
2019

CSR spending

Year	INR Lakh
FY 2021-22	161.53
FY 2022-23	114.82
FY 2023-24	141.31



We thank our
Customers,
Employees, Value
Chain Partners,
Bankers, Investors and
all other stakeholders
who supported us in
this journey.

BOARD'S REPORT

Dear members

The Board of Directors hereby submits the twenty ninth (29th) Board's Report on the business and operational performance of VA TECH WABAG LIMITED ("the Company" or "WABAG") along with the audited standalone and consolidated financial statements for the financial year ended March 31, 2024.

RESULTS OF OPERATIONS AND KEY FINANCIAL HIGHLIGHTS

The key highlights of the Company's financial performances for the financial year 2023-24:

(INR Mn.)

Particulars	Standalone		Consolidated	
	FY 2023-24	FY 2022-23	FY 2023-24	FY 2022-23
Total Income (including Revenue from Operations and other Income)	25,410	23,859	28,998	30,141
Profit before interest, tax & depreciation (EBIDTA)	3,577	3,471	3,768	3,547
Profit before tax excluding exceptional items	3,160	2,913	3,301	3,061
Profit before tax	3,160	21	3,301	169
Tax Expenses	802	8	797	59
Profit for the period	2,358	12	2,504	110

GROWTH PERFORMANCE OVER THE YEARS

Your Company has achieved another year of profitable growth i.e., profits growing at a rate faster than the revenue growth. The Consolidated EBITDA before exceptional items grew by 6.2% YoY and the Consolidated PAT before exceptional items grew by 7.1% YoY. Your Company closed this financial year at a historic high order book position of about INR 1,15,000 Million, thereby providing a robust future revenue visibility.

Key Orders received:

Order details	Nature of Contracts	Value (INR Mn.)
270 MLD CIDCO, Maharashtra – WTP	DBO	4,195
20 MLD Ras Tanura Refinery Complex, KSA - IWWTP	EP	2,789
345 MLD SONEDE, Tunisia - WTP	EP	2,599
Egypt WWTPs	EP	2,162
69 MLD KUKL, Nepal - WWTP	DBO	3,264
36 MLD Sousse Hamdoune II, Tunisia - WWT	EP	1,262

(EPC – Engineering, Procurement & Construction; EP – Engineering & Procurement; DBO - Design, Build & Operate; O&M – Operations & Maintenance, WTP - Waste Water Treatment Plant, IWWTP - Industrial Waste Water Treatment Plant)

Key developments during FY 2023-24:

- Biogas to Bio-CNG** - Strategic tieup with 'Peak Sustainability Ventures' to establish 100 Bio-CNG plants across India, GCC, Africa, and European countries, Business potential of ~200 Mn USD.
- H₂O to Green H₂** - Global leader in clean water production, the key raw material to produce the fuel of the future, in discussion with Hydrogen Developers for collaboration as their water partner. Aims to support Group's ESG initiatives through reduction of GHG emissions; making it a great replacement for carbon emitting fuels.
- Digitalization (AI for Operational Excellence)** - Tie up with 'Pani Energy' to implement applied AI for water treatment plants, committed to adopt advanced technology and innovations for operational excellence.

- **Water Solutions for Semi-Conductors** - Proven track record in supplying ultra-pure water to Semi-Conductor industry, committed to bring in state-of-the-art globally proven technologies for best efficiencies and to remain a dominant player. Strategic partnership on the anvil to develop the business model

Return on Investments:

Your Company has been steadfast in implementing the long-term strategy "Wriddhi" which has enabled the Return on Equity (ROE) to grow robustly from 7.9% in FY 2021 to ~15% in FY 2024. Your Company is committed to follow the path of "Wriddhi" and expects the ROE to sustain and continue growing in the years to come. Your Company has a presence in over 25 countries across the world in the form of Subsidiaries, Joint Ventures and Associates. This international presence enables your Company to secure marquee international contracts from new terrains at competitive prices against global competition. Your Company's Global-Local (GLOCAL) approach helps in optimum utilisation of resources to deliver projects at cost, on time and at quality. Your Company owns over 125 IP Rights and continues to invest time and resources in the development of new technologies which provide both the right to win and early mover advantage, especially in emerging economies. Your Company will continue to focus and invest resources in emerging economies while reducing its exposure to the European region as envisaged in the long-term strategy, with the objective of improving returns on its investments.

All investments of your Company are non-current in nature and invested in Group companies as equity instruments, hence return on investment ratio is not computed.

Liquidity:

WABAG's Group Treasury contribution stands as the bedrock of financial stability in our Centenary year, navigating complexities with precision. Our strategic foresight and prudent treasury management have fortified the organization against turbulence, ensuring growth and resilience driven by efficient corporate banking, trade finance, forex, debt & cash management. With unwavering dedication, we have strengthened the pillars of fiscal responsibility, enabling our continued profitable success.

BUSINESS ENVIRONMENT

Global economic growth slowed from 3.5% in 2022 to 3.1% in 2023. Asia is expected to drive a disproportionate share of global growth despite challenges such as a slower recovery in China, economic slow down in the USA, and higher energy costs in Europe. Weak global consumer sentiment due to geopolitical tensions like the Ukraine-Russia war, Israel - Palestine war and the Red Sea crisis has also impacted growth. Tightening monetary policies have led to increased interest rates, affecting new loans.

(Source: International Monetary Fund, Mint, Unctad, Business Today)

In the water sector, there's a rising demand for innovative solutions tackling water scarcity, pollution and infrastructure challenges, creating substantial growth opportunities. Governments and multilateral agencies worldwide are investing in water security projects, including recycling initiatives and smart water management technologies. Additionally, there's a growing trend of integrating water and energy systems, recognizing their interconnectedness.

Your Company is actively engaged with financial institutions globally, focusing on the water sector. We have gained recognition through initiatives aligned with Sustainable Development Goals (SDGs) and Environment, Social and Governance (ESG) principles, attracting investments from Sustainability and Green Funds. Offering customizable water solutions powered by renewable energy or energy-efficient processes, we are well-positioned to leverage these advancements.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes and commitments affecting the financial position of the Company between the end of the financial year and the date of this report, other than those disclosed elsewhere in this report.

DIVIDEND AND ITS POLICY

The Board of Directors of your Company after considering various factors, business strategies and investment requirements for Growth Capital and Hybrid Annuity Model (HAM) projects like Namami Gange Programme, etc. decided to conserve funds to maximize the Shareholders wealth on a long run and hence did not recommend any dividend during the FY 2023-24.

Your Company has adopted a Dividend Distribution Policy which can be accessed at https://www.wabag.com/wp-content/uploads/2018/06/Dividend_Distribution_Policy.pdf in line with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

TRANSFER TO RESERVES

The Board of Directors of your Company has decided to retain the profits in the profit and loss account. Accordingly, the Company has not transferred any amount to Reserves for the financial year ended March 31, 2024.

UNPAID / UNCLAIMED DIVIDEND AND SHARES

The Members may note that the dividends unclaimed for seven (7) years and shares on which the dividend has not been claimed by the Members for a period of seven (7) consecutive years has to be transferred to the Investor Education and Protection Fund ("IEPF") within the prescribed time pursuant to the provisions of Section 124, 125 and other applicable provisions of the Act read with the

Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules").

The Company has been sending suitable communication through the stock exchanges and reminder letters, through its Registrar and Transfer Agent (RTA) to the specific Members, from time to time whose dividends are unpaid / unclaimed and due for transfer to the IEPF. Your Company provides a dedicated facilitation / support system to the Members as and when required, to enable them to claim their dividend entitlements and corresponding shares before those are transferred to the IEPF Authority in accordance with the IEPF Rules.

During the FY 2023-24, unclaimed dividends pertaining to the FY 2015-16 amounting to INR 1,23,660/- belonging to 595 Members and 1,404 shares belonging to 45 Members who had not claimed their dividends for seven (7) consecutive years have been transferred to the IEPF Authority during September 2023 and October 2023 respectively.

Further, the unclaimed dividends pertaining to the FY 2016-17 and related shares in respect of which dividends have remained unclaimed for the seven (7) consecutive years as on due date shall be due for transfer to the IEPF Authority during September 2024.

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

SHARE CAPITAL AND FINANCE

Equity Share Capital:

During the FY 2023-24, there has been no change to the paid-up share capital of the Company and continues to remain at INR 12,43,80,856/- (Indian Rupees Twelve Crores Forty-Three Lakhs Eighty Thousand Eight Hundred and Fifty-Six only) consisting of 6,21,90,428 equity shares of face value of INR 2/- each.

Non-Convertible Debentures (NCDs):

During the year under review, the Company allotted secured, unlisted, redeemable, transferable, rated and interest bearing NCDs worth INR 100 Crores consisting of 1,00,000 NCDs of face value of INR 10,000 each (Series 1) to Asian Development Bank (ADB) out of the total NCDs worth INR 200 Crores issued under private placement. The funds raised through issuance of NCDs were utilized as per the objects and terms of the issuance agreed with the NCD holders.

Banking arrangements:

Your Company has been successfully supported by a consortium of over twelve (12) Banks and Financial Institutions for various banking and lending arrangements. Your Company has honoured all payment commitments to its lenders.

EMPLOYEE STOCK OPTIONS

During the FY 2023-24, the Company implemented a broad-based employee stock ownership program namely 'Wabag Centenary Stock Option Scheme 2023' ("Scheme" or "ESOS 2023") as a strategic initiative aimed at rewarding the employees for their dedicated service, in celebration of its Centenary year of brand "WABAG". The Scheme aims to reinforce employees' commitment, acknowledge their dedication, and align their interests with the long-term success of the Company as it continues on the journey beyond its Centenary year.

Also, the Company actively engages in diverse projects across its Group, further bolstering its overall growth trajectory. Consequently, the Board of Directors of the Company, based on the recommendations of the Nomination and Remuneration Committee ("the Committee" or "NRC") deems it beneficial to extend the Scheme's benefits to the employees not only within the Company but also within its Subsidiary(ies), Associates, and its Group companies (existing and future). This inclusive approach aims to attract and retain key talents within the Group.

Wabag Centenary Stock Option Scheme 2023 comprises mega Grant for accomplishing Centenary year by the Company as well as periodic Grants which may be determined by the Committee from time to time. The criteria to select the employees for Grant would be determined by the Committee based on factors such as length of service, grade, individual performance ratings over past few years, present contribution, potential contribution, conduct, etc. as it may deem relevant. At the same time, the Company is aware that any discount should be compensated with appropriate vesting conditions based on achievement of mandatory corporate performance conditions such as revenue, earnings before interest, tax, depreciation and amortization, cash inflow, order book, etc.

Accordingly, the Members of the Company at the 15th Extraordinary General Meeting (EGM) held on January 30, 2024 approved the ESOS 2023 to create and grant from time to time, in one or more tranches, not exceeding 25,00,000 (twenty five lakhs) employee stock options exercisable into not more than 25,00,000 (twenty five lakhs) equity shares of face value of INR 2/- (Indian Rupees Two only) each fully paid-up.

Further, the Nomination and Remuneration Committee (NRC) of the Company at their meeting held on March 21, 2024 considered and approved the first grant of 15,00,000 (fifteen lakhs) Stock Options under the said Scheme to the eligible employees in terms of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The following are the details pursuant to the Companies (Share Capital and Debentures) Rules, 2014 with regard to Wabag Centenary Stock Option Scheme 2023 for the FY 2023-24:

- (a) options granted – 15,00,000 Stock Options
- (b) options vested - Nil
- (c) options exercised - Nil

- (d) the total number of shares arising as a result of exercise of option – NA
- (e) options lapsed – NA
- (f) the exercise price – INR 513/- per option per share upon exercise of stock option.
- (g) variation of terms of options - Nil
- (h) money realized by exercise of options - Nil
- (i) total number of options in force - 25,00,000 Stock Options
- (j) employee wise details of options granted to:
 - i) key managerial personnel - All the key managerial personnel (KMP) were granted a total of 52,150 Stock Options (except the Executive Directors cum Promoters who shall not be eligible)
 - ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year - Nil
 - iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant - Nil

The Board of Directors hereby confirm that there has been no material change in the Scheme as on the date of this report and the Scheme is in compliance with the applicable provisions of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

The disclosures and details as required under Regulation 14 of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 is uploaded on the Company's website at Web-link: -<https://www.wabag.com/compliances/>

CREDIT RATING

The Company's borrowing arrangements have received a revision in credit rating by the India Ratings & Research (wholly-owned subsidiary of Fitch group), the credit rating agency of the Company, which revised the Outlook on Debt instruments to Positive from Stable, affirmed with 'IND A+'; Rates Additional NCDs during the FY 2023-24 as below:

- **Fund based limits:** IND A+/Positive/IND A1+ - Affirmed; Outlook revised to Positive from Stable
- **Non-fund-based limits:** IND A+/Positive/IND A1+ - Affirmed; Outlook revised to Positive from Stable

The details of the ratings are available on the website of the Company and Stock Exchanges including the credit rating agency website with rationale.

DEPOSITORY SYSTEM

Your Company's shares are tradable through electronic mode only. As on the financial year ended March 31, 2024, the total paid-up capital consists of 6,21,90,428 equity shares of face value of INR 2/- each with 99.99% held in dematerialized mode connected with both the depositories viz. the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through the Registrar and Transfer Agent (RTA) for the equity shares. As on the date of this report, only 252 equity shares are held in physical mode by five (5) Members.

REGISTRAR AND TRANSFER AGENT (RTA)

The Board of Directors of the Company, at their meeting held on February 09, 2024, had approved the appointment of Cameo Corporate Services Limited, Chennai having SEBI Registration no: INR000003753, an ISO / IEC 27001:2013 certified, leading Category I Registrar and Share Transfer Agent as the new RTA for the equity shares in place of KFin Technologies Limited, Hyderabad, pursuant to Regulation 7 of the SEBI LODR. The said change shall be effective from shifting of the electronic connectivity of both depositories to Cameo Corporate Services Limited i.e. from July 01, 2024.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis of your Company's performance is enclosed as a separate report forming part of this Annual Report.

CORPORATE GOVERNANCE

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

Pursuant to Regulation 34 of the SEBI LODR, the Report on Corporate Governance for the financial year ended March 31, 2024, is presented in a separate section, forming part of this Annual Report. A certificate from the Practicing Company Secretary, confirming the compliance conditions of Corporate Governance, as stipulated under the SEBI LODR, also forms part of this Annual Report. A Compliance Report on applicable compliances of the SEBI Circular, Notifications, and Regulations etc., issued by the Practicing Company Secretary was filed with the Stock Exchanges.

KEY PROJECT UPDATES

INDIA CLUSTER

CHENNAI METROPOLITAN WATER SUPPLY AND SEWERAGE BOARD, INDIA – SWRO DESALINATION PLANT



Your Company in joint venture with METITO Overseas Limited, has bagged a design, build, operate (DBO) order from Chennai Metropolitan Water Supply and Sewerage Board (CMWSSB) for building 400 million litres per day (MLD) sea water reverse osmosis (SWRO) desalination plant at a total cost of about INR 4,400 Crores.

The new Plant will come up at Perur, near the present 100 MLD Desalination plant built by WABAG on the East Coast Road, Chennai. This is the largest order for the Company and once completed, this plant will be the largest desalination plant in the South East Asian region. The new desalination plant will cater to the drinking water needs of the entire Chennai City, including added areas like Tambaram and Pallavaram. Around half of Chennai's estimated total need of 1560 MLD will be met from Desalination Plants. The project is funded by Japan International Cooperation Agency (JICA) and seeks to improve Chennai's water security through a stable source of drinking water in the form of desalination.

The contract includes design, engineering, procurement, construction, installation, testing, and commissioning of the 400 MLD SWRO desalination plant and the associated sea water intake system over 42 months followed by 20 years of operation & maintenance (O&M). This project involves the construction of intake and outfall structure along with the required pipelines, construction of pre-treatment processes, SWRO desalination plant, remineralisation plant, GIS-based electrical substations and other allied processes and units to build a complete operating plant within the proposed site premises for the production of 400 MLD product water of the required drinking water quality.

After successful completion of testing and commissioning of works, the Plant will be operated and maintained for 20 years under Design Build Operate (DBO) basis. Once commissioned, this project makes Chennai "Desalination Capital of India" with

a production of about 750 MLD of desalinated water along the coast of Chennai. With the 400 MLD SWRO desalination plant, WABAG will be responsible for about 70 per cent of the water production through desalination units in Chennai.

Detailed Engineering activities are progressing well and is at its peak. Major supply items are ordered and under various stages of manufacturing. Items associated with marine works are crucial for the project, which are under close monitoring. Construction site enabling activities have been completed. Construction activities are gaining momentum and multiple work fronts have been taken up concurrently.

AGCC – SIBUR

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

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

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

This technology dominant breakthrough order in the CIS region, especially in the Russian Federation also marks WABAG's largest order in the Oil and Gas sector. This order from a marquee customer in the Oil and Gas sector, re-affirms our technological superiority and execution excellence, built over the years. Your Company is proud to have secured this contract amidst stiff international competition and confident that this project will be another landmark reference for your Company.

The project is in final stages and the major equipment have been delivered to site in Russia. Balance supply items are in final stages of manufacturing or under transit. Equipment erection plan has been drawn out and site is mobilized. WABAG team remains committed to ensure smooth and coordinated erection with safety.

DHAKA WATER & SEWERAGE AUTHORITY, PAGLA – 200 MLD STP



Your Company has secured a breakthrough project in a new geography i.e. in Bangladesh. This prestigious project is being executed for Dhaka Water Supply and Sewerage Authority (DWASA). The 200 million litres per day (MLD) Pagla Wastewater project was secured amidst tough global competition. This is a first of its kind project in Bangladesh where bio-gas engines will be used to generate power from the digested sludge. The project has an execution period of 40 months followed by 60 months (5 years) of comprehensive Operation and Maintenance. This project is funded by the World Bank, Asian Infrastructure and Investment Bank (AIIB) and the Government of Bangladesh. The total project value is about INR 800 Crores.

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

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

The Honorable Prime Minister of Bangladesh, Sheikh Hasina, officially launched the project by laying the foundation stone for the plant in July 2023. The progress on the detailed Engineering front is substantial and site construction drawings remains under focus. Orders are placed for long lead items (LLIs), and some of the equipment are under dispatch. Construction at site has also commenced and is on track. WABAG team remains focused on the end objective of the project and is creating value to DWASA.

CITY & INDUSTRIAL DEVELOPMENT CORPORATION - WTP

WABAG worked its way back to the DBO space in Maharashtra by securing the 270 MLD WTP worth about INR 420 Crores from City and Industrial Development Corporation (CIDCO), for the design, build and operation of Water Treatment Plant at Jite, Raigad.

This project addresses Navi Mumbai's growing water demands. The plant will draw water from the Hetwane dam. Once treated, the water will be pumped to the existing master balancing reservoir (MBR) at Vihal for distribution across the city.

WABAG is responsible for the project's entire lifecycle, encompassing design, engineering, procurement of materials, construction, installation, commissioning, and the operation and maintenance (O&M) for the next 15 years. The construction phase is expected to be completed within 42 months of commencement.

On execution front, engineering is progressing as per plan. All major equipment and Long Lead Items (LLIs) have been ordered. Levelling and grading at site is in advanced stage and nearing completion. Construction of hydraulic structures would be commencing and men and machineries have been mobilized.

RELIANCE INDUSTRIES LIMITED – 2 X 1100 m³ / hr SWRO

Your Company is executing 2 x 1100 m³ / hr. SWRO (Sea Water Reverse Osmosis) based Desalination Plant at Jamnagar for Reliance Industries Limited (RIL). The treated water (Process water) will cater to the requirement of RIL's new energy business, including renewable energy, Hydrogen economy business. This is a repeat order (extension) from Reliance Industries, as we have executed a 24 MLD SWRO plant in the same premises.

This repeat order echoes RIL's confidence and trust in WABAG. The Order value of EPC contract is INR 427 Crores. The new EPC order includes design, engineering, procurement, supply, construction, erection, pre-commissioning, commissioning and performance guarantee test run of the seawater reverse osmosis (SWRO) plant, slated to be built on the premises of RIL's mammoth refinery at Jamnagar.

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

More than 90% progress on the project is achieved, and team is on track to complete the project. Almost all equipments have been delivered to site and erection work is going on. Furthermore, project is nearing the commissioning phases of UF and RO and pre-treatment plant (PTP) areas.

PROJECTS UNDER NATIONAL MISSION FOR CLEAN GANGA (NMCG)

A. BIHAR URBAN INFRASTRUCTURE DEVELOPMENT CORPORATION (HAM) – STP & NETWORK



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

This project comprises Design, Build and Operate (DBO) scope worth about INR 940 Crores and Hybrid Annuity Model (HAM) scope worth about INR 247 Crores. 40% of CAPEX of the EPC part of the HAM portion will be paid in the form of grant during construction and 60% will be paid as Annuity over 15 years, along with the OPEX. This will be the first water project on HAM, in the State. At Digha, the scope comprises designing and building a 100 MLD STP, Interception and Diversion Work, two (2) Sewage Pumping stations and survey, redesigning and building a new sewerage network of about 300 kilometres. In Kankarbagh, the scope comprises building a 50 MLD STP, Flow Diversion Works and all appurtenant structures and survey, redesigning and building new sewerage network of about 150 kilometres. Powered with resource recovery model, the STPs are designed to ensure minimum foot print and will produce green energy from bio-gas leading to lower OPEX to run the plants.

WABAG is making significant progress on both projects in Bihar, maintaining a positive momentum. The Company is particularly focused on completing the HAM project by November 2024. This successful completion will contribute significantly towards improved sanitation and a cleaner Ganga River in Patna.

B. GHAZIABAD NAGAR NIGAM (HAM) – TTRO



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

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

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

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

maintained a revenue surplus position in the last few years, according to India Ratings.

Currently, the project work is on track as per agreed schedule, we have achieved overall 80% physical progress. On execution front for Engineering & Procurement, we have completed our major scope as per agreed schedule. On construction front, civil works are on full swing for all major structures, and the project is expected to go on stream by July 2024.

C. KOLKATA METROPOLITAN DEVELOPMENT AUTHORITY (HAM) – STP



Bally STP
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Bhattanagar Canal Bridge, Khatla, Howrah 711227

This KMDA's Bally, Arupara, Baranagar project which is under execution, consists of construction of three (3) STPs at Arupara (65 MLD), Bally (40 MLD) and Baranagar (60 MLD), associated pumping system and sewage transmission lines. Your Company will execute the Engineering, Procurement and Construction (EPC) portion of this project over twenty-four (24) months followed by O&M of fifteen (15) years. This project is implemented by National Mission for Clean Ganga ('NMCG') and Kolkata Metropolitan Development Authority ('KMDA') with financial assistance from World Bank. Your Company completed the financial closure for this Hybrid Annuity Model ('HAM') project received from KMDA. The project debt requirement will be funded by a consortium of International Finance Corporation ('IFC') and Tata Cleantech Capital Limited ('TCCL'). IFC, a member of the World Bank Group, is the largest global development institution focused on the private sector in developing countries.

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

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

The team is diligently working towards a successful completion by the end of July 2024, marking a final milestone for the project. This swift progress promises a cleaner and healthier future for the city's waterways.

D. JAJMAU TANNERY EFFLUENT TREATMENT ASSOCIATION – CETP



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

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

The salient features of the project are effluent from 380 Tanneries will be treated as per the revised norms of the Ministry of Environment and will be released for irrigation

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

Post successful commissioning, your Company will also Operate & Maintain the above plants for a period of five (5) years. The construction of this plant is being funded under the prestigious Namami Gange Programme and the Operation & Maintenance will be self-financed by JTETA. Work is in full swing and the Common Effluent Treatment Plant (CETP) is expected to be commissioned by early next year.

While the network is still under construction, the commissioning of the CCRU, CETP, and ZLD portions of the project has already been successfully completed, marking a significant milestone towards cleaner rivers and a more sustainable future.

MEA CLUSTER

SONEDE BEJAOUA, TUNISIA – 345 MLD WTP



WABAG secured a significant water treatment project in Tunisia. Funded by the French Development Agency (FDA) and the European Investment Bank (EIB), the consortium order is valued at 215 million Tunisian Dinars (approximately INR 110 Crores). WABAG is responsible for the design, construction, and commissioning of a 345 MLD Water Treatment Plant for SONEDE, the national water utility Company of Tunisia.

WABAG's significant contribution to the project encompasses both the engineering and procurement (EP) aspects, as well as

operation and maintenance (O&M) for one year. This responsibility represents roughly half of the total consortium order value.

Within the EP scope, WABAG will handle the design, engineering, and supply of crucial electromechanical equipment, including state-of-the-art compact lamella clarifiers. Additionally, it will oversee the plant's installation and commissioning. WABAG is collaborating with Entreprise Gloulou Mohamed et Salem (EGMS) – the partner responsible for executing all civil works.

SONEDE ZARAT, TUNISIA – 50 MLD SWRO



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

The project has made substantial progress over the past year. We've successfully completed the plant commissioning and we are currently in the 12-month Defect Liability Period (DLP).

RAS TANURA RTR - IWWTP

The Company has secured a work order from SEPCO III Electric Power Construction Corporation (SEPCO III) for engineering and procurement for a 20 MLD Industrial Wastewater Treatment Plant (IWWTP) at Ras Tanura Refinery Complex, Saudi Arabia. The project developed by Miahona, a PPP developer and operator of water and wastewater projects in Saudi Arabia, is valued at \$33.5 million.

The scope includes design, engineering, procurement, supply & supervision of installation and commissioning of the IWWTP to treat a complex cocktail of effluents from the desalter effluent, tank farms and other oily wastewater sumps in the refinery; the order is scheduled to be completed over a 20-month period and will employ biological treatment followed by filtration and reverse osmosis technologies to treat the effluent partly towards reuse in the refinery. The treatment scheme also includes wet air oxidation for the treatment of spent caustic effluent. This contract shall be executed jointly by WABAG India and WABAG Austria (i.e. VA Tech Wabag GmbH, Austria) which signifies the "One WABAG" motto.

This breakthrough order in Middle East is one of a kind project with stringent influent & effluent conditions. We feel proud to get associated with Miahona, one of the prominent developers in the Kingdom for the Wastewater Business and also we are happy to serve our end user ARAMCO. This has enhanced the brand value of WABAG in the Middle East and the Company is now well placed in the Middle East market for wastewater opportunities in both Municipal & Industrial sectors.

Middle East Business Achievements over the years leading to Centenary Year

The first project in Middle East was awarded in the year 2005 which was 54 MLD STP at Al Ansab region in Oman, this marks our beginning in the middle east market. We have partnered with Galfar, Oman for this project and we proved our technology expertise in wastewater & project was successfully completed. With our continuous business development efforts, WABAG brand was well popular in the market as one of the leading water technology providers, this helped us to win a few more projects in the years 2008, 2012 & 2014 in Oman namely, 6 MLD SWRO for RAECO in Duqm, 20 MLD SWRO for Majis and 192 MLD SWRO Al Ghubrah.

We then began our expansion plan in the middle east foreseeing the growth of business which helped us in bagging the 40 MLD STP plant at Amas, Bahrain with our JV partner Belhasa. Middle East branch office was set up in Dubai, UAE catering to the business opportunities in this region with few marketing engineers in place.

Setting up of office helped us in close contact with all our stakeholders which boosted the confidence on WABAG for our clients. This focused approach won the following orders:

- 2017 – 40 MLD DM and 60 MLD STP at Jazzan, Kingdom of Saudi Arabia.
- 2018 – 120 MLD STP for Marafiq, Kingdom of Saudi Arabia.
- 2018 – Refurbishment works of existing STP in Doha, Qatar.
- 2020 – 300 MLD STP at Jeddah, Kingdom of Saudi Arabia.

Though we had difficulties during the execution of these projects, we ensured that these projects completed and handed over to our clients on time. WABAG demonstrated that it is an organization which works for customer satisfaction and we believe that this helps us in building the trust with our client thereby growing our business exponentially.

WABAG also started working on the registrations and pre-qualifications to get itself listed in the contractors list of the clients with a good rating.

We have completed registrations with the following entities as on date:

UAE	KSA	Rest of Middle East
SWS	SWCC	Qatar Energy
Dubai Municipality	Saudi Aramco	Maire Technimont, Qatar
Emirates Steel	Neom	Petroleum Development Oman
AD Ports and AD Airports	National Housing Company	Kuwait National Petroleum Company
ADWEA / ADDC	MODON	
ENOC	National Water Company	
Nakheel	SWPC	
Saipem and SEPCO III		
Marubeni		
TAQAH		

As part of localization initiative in the middle east countries, we have received the “In-Country Value” certificate in Doha. In 2023, WABAG emerged as the winner for the “Energy Globe Award” in the Kingdom of Saudi Arabia for Jubail industrial city WWTP & Reuse plant and also received “7 Star Safety Award” from Qatar Energy. During the GWI Awards 2019, we received the “Wastewater Project of Year” award for Madinat Salman Plant in Bahrain. Also, we have signed an MOU with Al Jomaih, one of the reputed developers in the Kingdom of Saudi Arabia for the upcoming water projects coming up in this region.

The achievements so far are just a teaser for WABAG since its entry to the middle east region and this market shall act as a “growth engine” for WABAG in the decades to come. Our prime focus will be as a preferred “Water Technology Partner” for our esteemed clients.

Africa Business achievements leading to Centenary Year

WABAG started exploring the African markets starting 1980’s and soon became a preferred partner for the industrial and municipal clients in Algeria, Libya, Morocco, Tunisia and Egypt by end of next decade, it was positioned as leader in markets like Algeria, Egypt, Tunisia and Libya. During the same time in parallel, we have ventured into sub Saharan markets like South Africa, DRC, Niger, Namibia, Nigeria and by Mid 90’s we have become leader in South Africa and made our technological presence felt.

In the beginning of this century, WABAG consolidated its markets and became a dominant player in North Africa and in addition, built some of the technologically advanced plants in sub-Saharan regions like Namibia, Nigeria and Tanzania.

Being the leader in water industry, WABAG continues to pursue technology related developments and pushed for sustainable water supply with desalination in the new era and building the West Africa’s largest desal plant in Senegal and also in Tunisia.

WABAG not only innovated in RO based technology but also Thermal based desalination in Libya.

WABAG has also to its credit, remarkable achievements in Reuse particularly in Africa, either it is for agriculture / landscaping reuse plants in Egypt/Tunisia or the most advanced and one of its kind direct potable reuse in Namibia back in 2001 when most of the world was not ready for such innovation / acceptance.

WABAG understood the need for sustainability just not ends with municipal needs but also took part in industrial needs, leading to building sustainable solutions for Dangote Refinery and fertilizers in Nigeria and this is the latest and most modern facility in Sub Saharan Africa. WABAG continues to expand and provide sustainable solutions all across Africa and continues to grow in its present markets and expanding further into new ones.

EUROPE CLUSTER

OLD KOHAFA WWTP: CONTRACT FOR UPGRADATION AND EXPANSION

The WABAG - ACC consortium has been awarded a new contract in Egypt for rehabilitation, upgrade and expansion of the existing OldKohafaWWTP valued at more than 19 million Euros. Funding for this project is provided by the European Bank for Reconstruction and Development (EBRD) and the European Union. The contract was duly signed on December 20, 2023, in Cairo. The scope of this project encompasses both the rehabilitation and upgrade of the existing Old Kohafa WWTP, which currently has a capacity of 60 MLD and shall be expanded to handle 90 MLD, as well as the in-situ expansion for a new treatment plant of 20 MLD (New Kohafa WWTP). The treated effluent will be discharged into the Kamal drain. The overall contract value stands at over 19 million Euros, with WABAG's share amounting to around 7 million Euros.

AL KHARJ ROAD III WWTP, SAUDI ARABIA - 200 MLD WASTEWATER TREATMENT & WATER REUSE PLANT, ANAEROBIC SLUDGE TREATMENT FOR ENERGY-EFFICIENT OPERATIONS

WABAG has successfully executed the contract for the design, engineering, installation, and commissioning of a new 200 MLD wastewater treatment plant as an extension - Phase III - of a treatment complex for the city of Al Kharj in Saudi Arabia. The plant utilizes mechanical/biological treatment, tertiary treatment with disc filters, and disinfection, enabling the treated wastewater to be reused for agricultural irrigation. Additionally, an anaerobic sludge digestion system has been implemented, along with bio-gas utilization for the production of green energy. This innovative approach significantly reduces the plant's reliance on external power sources, making it predominantly energy-neutral and contributing to climate protection.



TOBRUK MED-TVC - THERMAL DESALINATION PLANT TO PRODUCE 13,333 M³/D DRINKING WATER

WABAG was awarded the contract for the expansion of the Tobruk MED plant by a 4th line with a capacity of 13,333 m³/d by GDCOL. The thermal sea water desalination plant using MED-TVC technology is urgently needed to ensure the continuous supply with clean drinking water to the population as well as a small volume of industrial water for the nearby power plant to ensure power production and energy supply.



MADINATY O&M - WATER RECLAMATION PLANTS (WRP) FOR A NEW SATELLITE CITY NEAR CAIRO, EGYPT

WABAG has realized new Wastewater Treatment & Water Reuse plants for the new satellite city near Cairo, Egypt with a capacity of 2 x 40,000 m³/d. A three-stage treatment system enables the purified municipal wastewater to be led directly in a special distribution system for irrigation of green areas, keeping the new city clean and green. The Madinaty WRP is thus one among the most modern wastewater treatment plants in Egypt to ensure the sustainable reuse of the reclaimed water, thus saving precious fresh water resources. WABAG has been operating the plant since commissioning in 2018 (Stage I) resp. 2022 (Stage II).



ISMAILIA WTP, EGYPT - HIGHLY COMPACT DESIGN FOR 180,000 M³/D DRINKING WATER TREATMENT PLANT

WABAG was awarded by the Suez Canal Authority (SCA) the contract to design and build a new WTP for the city of Ismailia with a capacity of 180,000 m³/d. The new plant shall treat contaminated water from the River Nile, which is extracted from the nearby irrigation channel. A multi-stage treatment system will be implemented incorporating a special plant design, that enables compliance with the product requirements on the limited space available. Since the new plant represents the extension of an existing plant complex, some components will be commonly used. The plant is at an advanced stage and is scheduled to go into operation by the end of the calendar year 2024.



MAINTENANCE CONTRACT FOR WWTP DS SMITH, ZARNESTI, ROMANIA

DS Smith is an international full-service packaging provider with a production facility in Zarnesti, Brasov County. In May 2022, this Company contracted WABAG as an expert for the maintenance of its on-site wastewater treatment plant. The maintenance contract included comprehensive maintenance services for all WWTP equipment, respecting the highest standards. WABAG team executed the maintenance contract to the full satisfaction of the client, leading to an extension and expansion of the maintenance contract in 2024 for another 2 years.



BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

Your Company being one of the top 1000 listed entities (by market capitalization) has adopted the Business Responsibility and Sustainability mechanism as part of its business under Environmental, Social and Governance (ESG) parameters since the FY 2022-23 pursuant to the SEBI circular dated May 10, 2021.

The Business Responsibility and Sustainability Report (BRSR), is intended towards a quantitative and standardized disclosures on ESG parameters to enable comparability across companies, sectors and time which will be helpful for investors to make better investment decision for the listed companies. A separate report on Business Responsibility and Sustainability is enclosed forming part of this report.

CORPORATE POLICIES

The Board of Directors of your Company have framed various statutory policies, codes as prescribed under the Act and the SEBI Regulations, from time to time. The Board / Committee continuously reviews and updates the policies and codes in line with the amendments to the Act and the SEBI Regulations.

Some of the key policies adopted are as follows:

- 1) Code of Conduct for Board Members and Senior Management Personnel
- 2) Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Policy for identifying legitimate purpose
- 3) Corporate Social Responsibility Policy
- 4) Dividend Distribution Policy
- 5) Nomination, Evaluation & Remuneration Policy

- 6) Policy for Determination of Materiality for Disclosure of Events or Information
- 7) Policy on Determining Material Subsidiaries
- 8) Policy on Preservation and Archival of Documents
- 9) Policy on Materiality of Related Party Transactions & on dealing with Related Party Transactions
- 10) Whistle Blower Policy
- 11) Risk Management Policy
- 12) Sustainability Policy
- 13) Policy on Cyber Security Data Privacy
- 14) Equal Opportunity Policy
- 15) Policy on Business Responsibility and Sustainability Reporting
- 16) Policy on Grievance Redressal
- 17) Policy on Preferential Procurement
- 18) Policy on Human Rights
- 19) Prevention of Sexual Harassment (POSH) Policy
- 20) Code of conduct for Prevention of Insider Trading
- 21) Policy on Anti-Bribery & Anti-Corruption
- 22) Policy on Conflict of Interest

The aforesaid policies can be viewed in the Company's website under "Policies / Codes" section in the link namely <https://www.wabag.com/compliances/>. Other policies adopted by the Company are available on the Company's intranet portal.

BOARD OF DIRECTORS

Your Company, being professionally managed, is functioning under the overall supervision and guidance of the Board consisting of six (6) Directors with three (3) Independent Directors including an Independent Woman Director, one (1) Non – Executive Non - Independent Director and two (2) Executive Directors. There was no change in the composition of the Board during the FY 2023-24 and till the date of this report.

EXECUTIVE DIRECTORS

Mr. Rajiv Mittal, Chairman and Managing Director and Mr. S. Varadarajan, Whole Time Director and Chief Growth Officer (CGO) are the Executive Directors and also the Promoters of the Company.

The Members of the Company had approved the re-appointment of Mr. S. Varadarajan (DIN: 02353065), as the Whole Time Director & Chief Growth Officer (Key Managerial Personnel) of the Company for a further period of five (5) years w.e.f. June 01, 2023 to May 31, 2028 and Mr. Rajiv Mittal (DIN: 01299110), as the Managing Director & Group CEO (Key Managerial Personnel) of

the Company to hold office for a further period of five (5) years w.e.f. October 1, 2020 till March 31, 2025.

Further, the Nomination and Remuneration Committee (NRC) and the Board of Directors at their meetings held on March 26, 2022 had re-designated Mr. Rajiv Mittal as the Chairman cum Managing Director & Group CEO with immediate effect.

Subsequent to the appointment of Deputy Managing Director and Group CEO, the NRC and Board of Directors at their meetings held on December 07, 2022 had approved the re-designation of Mr. Rajiv Mittal as the Chairman and Managing Director (KMP) of the Company with immediate effect.

The Board of Directors of your Company at their meeting held on May 21, 2024, based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Members at the ensuing Annual General Meeting, had considered and approved the re-appointment of Mr. Rajiv Mittal (DIN: 01299110), as the Chairman and Managing Director of the Company for a further period of five (5) years w.e.f. April 01, 2025 to March 31, 2030 along with the terms and conditions of such appointment and the revision in remuneration payable.

NON-EXECUTIVE DIRECTORS

INDEPENDENT DIRECTORS

During the FY 2023-24, there has been no change in the composition of the Board of Directors.

DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

All Independent Directors of your Company have confirmed that they meet the "Independence criteria" laid down under the Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR. In addition, they continue to maintain their directorship within the prescribed maximum limits as prescribed under the SEBI LODR. The Independent Directors provided necessary declarations/ disclosures to the Company in this regard.

NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

Mr. Amit Goela is the Non-Executive Non-Independent Director of the Company. The Members of the Company had regularized and approved the appointment of Mr. Amit Goela (DIN:01754804) as the Non – Executive Non - Independent Director of the Company for a period of three (3) years w.e.f. July 19, 2021 upto July 19, 2024, liable to retire by rotation and entitled to receive Non-Executive Director remuneration as approved by the Members at the 19th AGM held on July 21, 2014 (i.e. remuneration, in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors may from time to time determine, not exceeding in aggregate one (1) percent of the net profits of the Company for each financial year).

Further, the Board of Directors of your Company at their meeting held on May 21, 2024, based on the recommendation of the Nomination and Remuneration Committee and subject to the

approval of the Members at the ensuing Annual General Meeting, had considered and approved the re-appointment of Mr. Amit Goela (DIN:01754804) as the Non – Executive Non - Independent Director of the Company for a further period of 5 (five) years from July 20, 2024 to July 19, 2029.

RETIREMENT BY ROTATION

Pursuant to the provisions of Section 152 of the Act read with rules issued thereunder, Mr. S. Varadarajan (DIN:02353065) Whole Time Director & Chief Growth Officer, who was appointed by the Members of the Company at the 28th AGM held on August 11, 2023 for a period of five (5) years, has been considered to retire by rotation at the ensuing 29th Annual General Meeting (AGM) and he, being eligible, offers himself for re-appointment and the Board of Directors of your Company recommends his re-appointment, retiring by rotation. A brief profile of Mr. S. Varadarajan forms part of the notice convening the 29th AGM of the Company.

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

During the FY 2023-24, there were no new Independent Directors appointed to the Board. With regard to proficiency of the Independent Directors, ascertained from the online proficiency self-assessment test conducted by the IICA (Indian Institute of Corporate Affairs), as notified under Section 150(1) of the Act, the Board of Directors have taken on record the declarations submitted by the Independent Directors that they have complied with the requirements.

KEY MANAGERIAL PERSONNEL (KMP)

The Key Managerial Personnel (KMP) of your Company as per Section 203 of the Act, during the financial year ended March 31, 2024 are as follows:

- a) Mr. Rajiv Mittal, Chairman and Managing Director;
- b) Mr. S. Varadarajan, Whole time Director and CGO;
- c) Mr. Skandaprasad Seetharaman, Chief Financial Officer;
- d) Mr. Shailesh Kumar, CEO - India Cluster;
- e) Mr. V. Arulmozhi, CFO - India Cluster;
- f) Mr. AnupKumar Samal - Company Secretary and Compliance Officer.
- g) Mr. Pankaj Malhan was the Deputy Managing Director and Group Chief Executive Officer (Key Managerial Personnel) of the Company, upto October 30, 2023.

BOARD DIVERSITY

Your Company recognizes the importance of a diverse Board for its success and believes that a diverse Board will ensure effective

corporate governance, responsible decision-making ability, sustainable business development and Company's reputation.

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

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

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

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

The Nomination and Remuneration Committee of the Board carried out a separate exercise to evaluate the performance of the Individual Directors. The Independent Directors and other Directors of the Company carried out the performance evaluation of the Board and its Committees, Individual Director and the Chairman at their meeting held on May 21, 2024. The report on Corporate Governance forming part of this Annual Report covers details of the evaluation process and other requisite information.

FAMILIARISATION PROGRAMME

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

A formal letter of appointment was issued to the Directors at the time of their appointment, capturing their roles, functions, duties and responsibilities and expectations of the Board. The Directors of your Company are given the full opportunity to interact with the Key Managerial Personnel including the Senior Management Personnel and provided with the access to all the documents/ information sought by them to have a good understanding of the

Company, its business and various operations and the industry of which it is a part.

The details of the Familiarization Programme are disclosed in the report on the Corporate Governance and is available on the Company's website at <https://www.wabag.com/compliances/>.

APPOINTMENT OF THE DIRECTORS

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

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

BOARD & COMMITTEES

The Board of Directors of your Company comprises the following Directors as on the financial year ended March 31, 2024:

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

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

As on March 31, 2024, your Company consists of following key Committees of the Board viz.:

- a) **Audit Committee**, which acts as an interface between the statutory and the internal auditors, the Management and the Board of Directors. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviews the Company's statutory and internal audit processes. The Board reviews / accepts the recommendations made by the Audit Committee. The composition of the Audit Committee is mentioned in the Report on Corporate Governance forming part of this Annual Report.

- b) **Stakeholders Relationship Committee** *inter - alia* to look into various matters relating to the security holders of the Company.
- c) **Nomination and Remuneration Committee** *inter - alia* with wider terms of reference as per the statutory requirements.
- d) **Risk Management and Monitoring Committee** *inter - alia* to review and monitor the various projects of the Company from time to time and evaluate the risks existing in the business and ensure appropriate mitigation measures in a time bound manner.
- e) **Corporate Social Responsibility Committee**, *inter - alia*, to undertake CSR activities, monitoring and reporting system for utilization of funds for the CSR activities.
- f) **Capital Allocation Committee** (formerly Overseas Investment Committee) *inter - alia*, to scrutinize, evaluate and approve any new / enhancement in the investment by the Company in setting up a branch / subsidiary / joint venture entity, in India or overseas and periodically monitor that the investments made in such group entities are used for such approved purpose so as to ensure that return on investment to the Company is protected in the long run. Please refer to the Financial Statements of the Annual Report for investment made by Company in Overseas Direct Investment (ODI) entities.

The respective Chairperson of each Committee convenes the meetings of the Committees. The Board is apprised with the discussion held at the meeting of the Committees, from time to time, for review / necessary action, wherever required. In compliance with the Secretarial Standards -1 issued by the Institute of Company Secretaries of India (ICSI), the minutes of the meetings of the Committees are sent to all the Members of the Committees for their comments, if any. The approved minutes are signed and certified signed minutes are shared with the Board and respective Committees and tabled at the subsequent meeting of the Board of Directors / Committees. The annual calendar of the Board and Committee Meetings are finalized by the Board before the beginning of the financial year to enable the Directors to plan their schedule well in advance to ensure their participation in the meetings.

During the FY 2023-24, the Board of Directors of your Company met seven (7) times through physical and video conferencing / other audio visual means (OAVM) on May 19, 2023, August 11, 2023, November 06, 2023, December 29, 2023, February 09, 2024, March 15, 2024 and March 29, 2024. The details regarding composition of the Board, attendance of the Directors and other relevant information are set out in a separate Report on Corporate Governance forming part of this Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with Section 134(5) of the Act, the Board of Directors to the best of its knowledge and belief and according to

the information and explanations obtained, your Directors make the following statements:

- a) that in the preparation of the annual accounts of the Company, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for that period;
- c) the Directors had taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis;
- e) the Directors had laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

REMUNERATION OF DIRECTORS

The Board of Directors of your Company had implemented the Nomination, Evaluation & Remuneration policy based on various evaluation criteria determined by the Nomination and Remuneration Committee in line with the requirements of the applicable law. The objective of the said policy is to assess the effectiveness of the Board as a whole, Committees of the Board and Individual Directors on regular basis and to attract, motivate and retain the Directors, Key Managerial Personnel, Senior Management Personnel and other expert Individuals that the Company requires in order to achieve its strategic and operational objectives. In accordance with the relevant provisions of the Act and SEBI LODR, the following policies / framework have been adopted by the Board upon recommendation of the Nomination and Remuneration Committee as part of the Nomination, Evaluation & Remuneration Policy:

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

- Policy related to Remuneration for the Non – Executive Directors / Independent Directors.

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

REMUNERATION OF THE EXECUTIVE DIRECTORS

The remuneration of the Executive Directors consists of fixed component and variable performance based on specific KPIs (Key Performance Index) and KRA (Key Results Area) agreed with the Executive Directors. The Nomination and Remuneration Committee makes annual appraisal of the performance of the Executive Directors based on a detailed performance evaluation and recommends the compensation payable to them, within the parameters approved by the Members, to the Board for their approval.

REMUNERATION OF THE NON-EXECUTIVE DIRECTORS

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

REMUNERATION OF THE KMP / SENIOR MANAGEMENT / OTHER EMPLOYEES

The remuneration of the Key Managerial Personnel (other than the Executive Directors) and any revision thereof, shall be approved by the Board in accordance with the Nomination, Evaluation & Remuneration Policy of the Company and internal policy of the Company.

The Chairman & Managing Director and Whole Time Director & CGO carry out the overall performance evaluation of the senior management / other employees and appraises the Board / Nomination and Remuneration Committee about the same and on the basis of the overall achievements of KPI (Key Performance Index) and KRA (Key Results Area) they will be paid remuneration / any revision thereof.

POLICY ON PRESERVATION & ARCHIVAL OF DOCUMENTS

In accordance with the Regulation 9 read with the Regulation 30(8) of the SEBI LODR, your Company has framed a Policy on

"Preservation & Archival of the Documents". This policy is available on the Company's website www.wabag.com. The policy provides guidelines for the retention of records, duration of preservation of relevant documents, archival / safe disposal / destruction of the documents. The policy inter-alia aids the employees in handling the documents efficiently either in physical form or electronic form. The policy not only covers the various aspects on preservation, but also archival of documents.

PARTICULARS OF THE EMPLOYEES

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

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

INDUSTRIAL RELATIONS

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

POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

Your Company has constituted Internal Complaints Committee under POSH, which comprises five (5) Members, majority being women members including one (1) external woman representative. All the employees viz. permanent, consultant, contractual, temporary and trainees are covered under the Company's Policy on Prevention of Sexual Harassment.

During the year under review, your Company has not received any complaint for Sexual Harassment at workplace. An Annual Report comprising details of the complaints received, disposed

of and pending at the end of the calendar year i.e. December 31, 2023 was duly submitted by the Internal Compliant Committee, in accordance with the Section 21 of POSH.

AUDITORS

A. Statutory Auditors

The Members of the Company at the 28th AGM held on August 11, 2023 had re-appointed M/s Sharp & Tannan, Chartered Accountants, Chennai (Firm Regn No. 003792S) as the Statutory Auditors of the Company to hold office for a term of five (5) years from the conclusion of the 28th AGM until the conclusion of the 33rd AGM of the Company to be held in the calendar year 2028.

The Statutory Auditors of the Company have submitted Independent Auditors' reports for FY 2023-24 and is forming part of this Annual Report. The Auditor's Report on Standalone and Consolidated Financial Statements of the Company for the financial year ended March 31, 2024, does not contain any qualification, reservation or adverse remark.

B. Cost Auditor

Pursuant to the provisions of the Section 148(1) of the Act, Mr. K. Suryanarayanan, Practicing Cost Accountant (Membership No.24946) was appointed as the Cost Auditor of the Company, for conducting the audit of cost records for the FY 2023-24. The audit of cost records is in progress and report by the Cost Auditor will be filed with the Authority within the prescribed time. A proposal for ratification of remuneration of the Cost Auditors for the FY 2023-24 will be placed before the Members of the Company at the ensuing AGM. The cost records, as applicable to the Company are maintained in accordance with the Section 148(1) of the Act.

C. Secretarial Auditors

The Board of Directors had appointed M/s M. Damodaran & Associates, LLP, Practicing Company Secretaries, Chennai as the Secretarial Auditors of the Company for the FY 2023-24. The Secretarial Audit Report was placed before the Board and it does not contain any qualification, reservation or adverse remark. The Report of the Secretarial Auditors is enclosed as **Annexure-II** to the Board's Report. Your Board has appointed M/s M. Damodaran & Associates LLP, Practicing Company Secretaries, Chennai as the Secretarial Auditors of the Company for FY 2024-25.

D. Internal Auditors

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

Accountants, Chennai, (Firm Regn. No - 003990S/S200018) along with the Corporate Assurance Department of the Company was appointed as the Internal Auditors of the Company to conduct the Internal Audit for the FY 2023-24.

The Internal Audit function reports directly to the Audit Committee and makes comprehensive presentations at the Audit Committee meeting(s) on the Internal Audit Report covering the business areas required by the Audit Committee, from time to time. M/s PKF Sridhar & Santhanam LLP, Chartered Accountants along with the Corporate Assurance Department of the Company conducts the Internal Audit as the Internal Auditors of the Company.

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

SUBSIDIARIES, JOINT VENTURES & ASSOCIATES

As on the financial year ended March 31, 2024, the Board of Directors of your Company had considered and approved following decisions with respect to Subsidiaries, Joint Ventures and Associate entities:

DK Sewage Project Private Limited, Subsidiary Company

- Approved further investments of upto INR 14.61 Crores by way of Equity Shares, Preference Shares, Unsecured Loan and / or Non-Convertible Debentures (NCD) in tranches.
- Approved the proposal of availing financial assistance by DK Sewage Project Private Limited from the State Bank of India.
- Approved the proposal and executed the Shareholders Agreement amongst VA Tech Wabag Limited (Existing Shareholder), DK Sewage Project Private Limited (Subsidiary Company) and Madhya Pradesh Waste Management Private Limited (Investor) on March 29, 2024.

During the FY 2023-24, your Company had invested in the following securities of DK Sewage Project Private Limited (DKSPPL), Subsidiary Company: INR 13,00,00,000/- consisting of 1,30,00,000 Non – Convertible Debentures (Series B NCD) of face value of INR 10/- each. Further, during the year under review, DKSPPL has, with the approval of the Company, converted the NCDs amounting INR 4.65 Crores to Compulsorily Convertible Debentures to meet the conditions of its lenders. As on date of this report, the investment of the Company in DKSPPL stands at INR 27.32 Crores.

Ghaziabad Water Solutions Private Limited, Subsidiary Company

- Approved further investments of upto INR 17.59 Crores by way of Equity Shares, Preference Shares, Unsecured Loan and / or Non-Convertible Debentures (NCD) in tranches.

During the FY 2023-24, your Company had invested in the following securities of Ghaziabad Water Solutions Private Limited (GWSPL), Subsidiary Company: INR 28,55,00,000/- consisting of 2,85,50,000 Non – Convertible Debentures of face value of INR 10/- each. As on date of this report, the investment of the Company in GWSPL stands at INR 52.26 Crores.

Kopri Bio Engineering Private Limited, Subsidiary Company

- Approved the proposal and executed the Shareholders Agreement amongst VA Tech Wabag Limited (Existing Shareholder); Kopri Bio Engineering Private Limited (Subsidiary Company) and A K Electrical and Works Private Limited (New Investor), who has replaced the earlier JV partner Gradient India Private Limited by acquiring 49% stake, to record the terms and conditions between the equity shareholders over the rights and responsibilities for execution of the project towards Design, Build, Finance, Operate and Transfer (DBFOT) in relation to developing, operating and maintaining (a) a 120 MLD sewage treatment plant at Kopri, Thane (East) and, (b) a power generation facility and tertiary treatment plant, for the sale of tertiary treated water of sewage treatment plant at Kopri, Thane (East), awarded by Thane Municipal Corporation on competitive bidding basis.

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

Your Company has 17 subsidiaries, associates and Joint Venture entities worldwide as on date of this report. Pursuant to Section 129(3) of the Act, a statement containing the salient features of the Financial Statement of our subsidiaries in the prescribed format Form AOC-1 is enclosed as **Annexure-III** to the Board's Report.

MATERIAL SUBSIDIARIES

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

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

CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company for the financial year ended March 31, 2024 are prepared in compliance with the applicable provisions of the Act including Indian Accounting Standards specified under Section 133 of the Act. The audited consolidated financial statements together with the Auditors' Report thereon forms part of this Annual Report.

Pursuant to the provisions of Section 136 of the Act, the financial statements of the Subsidiaries, Associates and Joint Venture entities of the Company are available for inspection by

the Members at the Registered Office of the Company. Your Company shall provide a copy of the financial statements of its Subsidiary companies to the Members upon their request. The statements are also available on the website of your Company at www.wabag.com under Investors Section.

RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties by the Company, during the year under review, were in the ordinary course of business and at arm's length basis and in accordance with the provisions of the Act and the SEBI LODR. There were no materially significant Related Party Transactions entered into by the Company with the Promoters, the Directors, the Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. The details of the same are given in the notes to the Financial Statements. The Related Party Transactions were placed before the Audit Committee for their review, consideration and approval / recommendation and then placed before the Board for suitable noting / approval. Amended Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions is available on the Company's website www.wabag.com.

The details as required to be provided under Section 134(3) (h) of the Act, in the prescribed Form AOC-2 are enclosed as **Annexure - V** to the Board's report.

OVERSEAS DIRECT INVESTMENT

Your Company, over the years has expanded its global reach through Overseas Direct Investments (ODI), either through Subsidiaries, Associates and Joint Venture entities. In addition, your Company also executes projects in overseas geographies through establishment of a branch or other permanent establishment (PE) models. Further, the Company has not made any fresh investments in the ODI entities and divested a subsidiary entity M/s. Wabag Limited, Thailand during the FY 2023-24.

As on March 31, 2024, the aggregate equity investments in such ODI entities amounted to INR 605.40 Million.

There were no new guarantees and loans given during the FY 2023-24 in ODI entities. As on March 31, 2024, the aggregate guarantees in such ODI entities amounted to INR 108 Million as against INR 364.90 Million as on March 31, 2023, with reduction primarily driven by completion of warranty obligations in the ODI entities. Your Company has not provided any loan to its ODI entities during the year. Your Company's international presence has benefited in both monetary and non-monetary aspects. The Group's international presence has enabled advanced Research & Development activities in India and Europe leading to over 125 IP Rights which are proprietary in nature and used for the Group's business operations to provide best in class customised and innovative technological solutions to our customers at competitive cost.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Committee is responsible for formulating and monitoring the CSR policy of the Company.

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

The CSR policy is available on the Company's website in the following link: <https://www.wabag.com/compliances/>. In terms of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended from time to time ("CSR Rules") and in accordance with CSR Policy and in accordance with the Annual Action Plan, your Company allocated an amount equivalent to 2% of the average net profits (calculated as per Section 198 of the Act) of its three (3) immediately preceding financial years for implementation of CSR activities.

Pursuant to the provisions of Section 135(6) of the Companies Act, 2013, there was no unspent amount for the FY 2023-24 pertaining to ongoing projects which has to be transferred to a separate bank on or by April 30, 2024.

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

- a) Livelihood Support Programme at Kolkata - On going Project;
- b) Chennai City Sanitation Plan - On going Project;
- c) Apprenticeship Training Programme, a project under Industry Partnership Model under Apprenticeship Act) - other than On-going Project.

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

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

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

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

- a) by taking up CSR projects largely within the framework of the Company's expertise, i.e. water, wastewater management and sanitation;
- b) by focusing on CSR projects in the Company's project / office neighbourhoods;
- c) imparting training by supporting apprenticeship under Industry Partnership model.
- d) Any other projects and / or contribution for any specific purpose notified CSR and / or recommended / approved by CSR Committee/Board of the Company from time to time.

The annual report on CSR activities undertaken by the Company is enclosed as **Annexure - IV** to the Board's Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Pursuant to the provisions of Section 186 of the Act and Schedule V of the SEBI LODR the details of loans, guarantees and investments, as on March 31, 2024, are given in the notes to the financial statements of the Company.

INTERNAL CONTROL / AUDIT & ITS ADEQUACY

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

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

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

INTERNAL CONTROL OVER FINANCIAL REPORTING

The Act, re-emphasizes the need for an effective Internal Financial Control system in the Company, which should be adequate and shall operate effectively. The details are as under:

1. The internal financial controls within the Company commensurate with the size, scale and complexity of its operations;
2. The Audit Committee of the Board periodically reviews the internal audit plans and provides observations/recommendations to the Internal and Statutory Auditors;
3. The controls were tested during the year and no reportable material weaknesses;
4. Your Company continuously tries to automate these controls to increase its reliability;
5. Your Company follows accounting policies which are in line with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with Companies (Indian Accounting Standard) Rules, 2015. These are in accordance with Generally Accepted Accounting Principles (GAAP) in India;
6. Your Company's Books of Accounts are maintained in IFS (Industrial and Financial Systems), a global Enterprise Solution and transactions are executed through IFS setups to ensure correctness / effectiveness of all transactions, integrity and reliability of reporting;
7. Your Company has a mechanism of building budgets at an integrated cross - functional level. The budgets are reviewed on a monthly basis so as to analyze the performance and take corrective action, wherever required;
8. Overseas subsidiaries provide required information for consolidation of accounts in the format prescribed by your Company along with certification from auditors of respective entities.

RISK MANAGEMENT

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

AWARDS & RECOGNITIONS

During the year under review, your Company received numerous awards and accolades conferred by reputable organizations, distinguished bodies and clients for achievements in sustainable solutions, project completion etc. Please refer to this Annual Report for the details of the rewards and recognition achieved by the Company during the FY 2023-24.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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

INSOLVENCY AND BANKRUPTCY CODE, 2016

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

OTHER DISCLOSURES

Deposits:

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

Contracts or Arrangements with the Related Parties:

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

Annual Return:

In accordance with Section 134(3)(a) read with Section 92(3) of the Act, a copy of the annual return of the Company for the FY 2023-24 in the prescribed format is available on the Company's website in the following link: <https://www.wabag.com/compliances>.

Secretarial Standards:

The Company has complied with applicable Secretarial Standards issued by the ICSI.

Conservation of Energy:

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

Differential rights:

The Company has not issued sweat equity shares or equity shares with differential rights as to dividend, voting or otherwise, during the year under review.

Nature of Business:

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

QUALITY, HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION (QHSE)

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

SUSTAINABILITY INITIATIVES

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

WHISTLE BLOWER POLICY / VIGIL MECHANISM

Pursuant to the Act and SEBI LODR, your Company has formulated a Whistle Blower Policy which serves as a mechanism for its Directors, Employees, Business Associates and other Stakeholders to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Code of Conduct without fear of reprisal. The vigil mechanism provides a dedicated email id.

Any Director or employee who becomes aware of an unethical behavior or fraud or violation of code shall report to the Ethics Committee for redressal as provided in the policy. The Audit Committee of the Board oversees the functioning of this policy. The policy is available on the website of the Company www.wabag.com.

GREEN INITIATIVES

WABAG stands for sustainability and has demonstrated its commitment to creating a green earth for over ten (10) decades. WABAG's vision is aligned to the United Nations Sustainable development goals (SDGs) 2030 and this has been reflected in the Group's numerous initiatives as highlighted below:

- Green Initiatives begin at home:** Over 82% of the total power requirement of our headquarters in Chennai is derived

from renewable energy, thereby bringing down energy cost by 10% as well as becoming a part of green energy compliant corporate. It is in recognition of this initiative that our headquarters, WABAG HOUSE, has been Certified as Near Net Zero in energy by Indian Green Building Council (IGBC), in addition to being Certified as Platinum rated Green building. Other initiatives taken by your Company are as follows:

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

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

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

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

4. Advancing Circular Economy Principles at Your Company: Your Company regards circles as the epitome of nature's perfection, from celestial bodies like the sun and moon to the elemental cycles on Earth, including the water cycle. This circularity epitomizes sustainability, inspiring your company to adopt the principles of a circular economy to address modern wastewater challenges.

In contrast to the linear "take-make-dispose" model, your company embraces the holistic approach of Circularity for Sustainability. This principle transforms wastewater from a disposal problem into a resource opportunity. By leveraging innovative technologies, your Company elevates sewage treatment plants (STPs) from mere treatment facilities to resource recovery centers.

Your Company's core philosophy, Total Resource Recovery, underpins this approach. This concept not only treats wastewater but also extracts valuable resources. Treated water can be repurposed for non-potable uses, sludge can be converted into fertilizer, and biogas generated from sludge digestion can be harnessed for renewable energy.

Your Company optimizes these processes to reduce energy consumption and waste generation while enhancing efficiency in treatment, nutrient recovery, and biogas production. This is not a distant goal but a functional reality, exemplified by your company's global projects.

Pioneering Projects and Achievements

Your Company set the standard for the circular economy over two decades ago with the Kodungaiyur Power-Neutral WWTP in Chennai. This plant, the first in India to complete 110,000 hours on a single gas engine, uses biogas from sludge digestion to generate green energy, making it power-neutral and independent of grid power.

Your company's Dinapur WWTP in Varanasi, the largest under the Namami Gange Programme and inaugurated by Hon'ble PM Shri Narendra Modi, operates on a similar model. It treats wastewater to help restore the Ganga river's health. Other significant projects include the K&C Valley WWTP in Bangalore, Pappankalan STP in New Delhi, Madinat Salman STP in Bahrain, and the MARAFIQ WWTP in Jubail, Saudi Arabia.

Commitment to Water Reuse and Sustainability

Your Company is driven by the belief that 'Water is too precious to be used just once.' Your company's infrastructure for water recycling and reuse ensures treated water is reintroduced into the water grid, maintaining a constant supply while protecting freshwater sources. Your company's advanced systems handle both municipal and industrial wastewater, treating 2.7 million cubic meters of recycled water and 27 million m3 Wastewater treated

per day, generating over 41 MW of green energy, and reducing greenhouse gas emissions by over 630 tonnes daily.

Global Innovations and References

Your Company has numerous global references showcasing cutting-edge technologies in water recycling and reuse. The world's first Direct Potable Reuse (DPR) plant in Namibia, the industrial effluent recycle and reuse plant at IOCL - Panipat, and the Tertiary Treatment Reverse Osmosis (TTRO) plant in Chennai are prime examples. The Koyambedu TTRO plant in Chennai, one of India's largest and most advanced, treats municipal water to potable standards, supplying it to industrial hubs and saving 1600 Crores liters of freshwater annually.

In Windhoek, Namibia, your Company built the world's first Direct Potable Water Reuse Plant in 2002, employing a nine-step multi-barrier treatment system to produce high-quality drinking water from secondary effluent.

Your Company successfully completed one of the largest "Central Zero Liquid Discharge Plant" (CZLD) for NMDC Steel Ltd. in Jagdalpur, Chhattisgarh. Employing advanced technologies like Ultrafiltration and Reverse Osmosis, the project treats effluent from steel production to produce high-quality water suitable for reuse as makeup cooling water. This project has significantly contributed to the sustainability goals of NMDC Steel Ltd.

Recognitions and Future Directions

Your Company's commitment to sustainability and innovation is further evidenced by earning prestigious awards such as "The Best ETP" by Water Digest Water Awards 2023-24 and "Best Industrial Plant" by Global Water Awards 2024 for the Central Zero Liquid Discharge Plant (CZLD) for NMDC Steel Ltd.

Your Company was also honored with the Highly Commended Award under "Industrial Project of the Year" for the Dahej Effluent Treatment Plant, India, recognized for its 'Unique Technology mix scotches effluent cocktail' by Global Water Intelligence. Similarly, the Petronas IETP in Malaysia received the Highly Commended Award under "Industrial Project of the Year," setting 'A new model for refinery effluent' as recognized by the same esteemed organization.

ACKNOWLEDGEMENTS

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

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

Date: May 21, 2024
Place: Chennai

Milin Mehta
Independent Director
(DIN: 01297508)

Rajiv Mittal
Chairman and Managing Director
(DIN: 01299110)

Annexure – I

PARTICULARS OF EMPLOYEES

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

i) The ratio of remuneration of each Director to the median remuneration of employees of the Company for the FY 2023-24	Mr. Rajiv Mittal, Chairman and Managing Director – 61.82:1 Mr. S. Varadarajan, Whole Time Director & Chief Growth Officer – 30.88:1 Mr. Milin Mehta, Independent Director – 2.70:1 Mrs. Vijaya Sampath, Independent Director – 2.70:1 Mr. Ranjit Singh, Independent Director – 2.70:1 Mr. Amit Goela, Non-Executive Non-Independent Director – 2.70:1
ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the FY 2023-24	Chairman & Managing Director – 19.05% Whole Time Director & CGO – 24.17% Other Directors – 20% CEO - India Cluster – 46.31% Deputy Managing Director & CEO – Nil Chief Financial Officer – 43.89% Chief Financial Officer – India Cluster – 39.70% Company Secretary & Compliance Officer – 3.32%
iii) The percentage increase in the median remuneration of employees in the FY 2023-24	9.05%
iv) The number of permanent employees on the rolls of the Company as on March 31, 2024	914
v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year is 13.18% and the average percentile increase in the managerial remuneration in the last FY is 15.27% on a like to like basis.
vi) Affirmation that the remuneration is as per the remuneration policy of the company	It is affirmed that the remuneration is paid as per the Remuneration Policy of the Company.

<p>vii) A statement showing the name of top ten (10) employees of the Company in terms of remuneration drawn</p> <p>A statement showing the name of every employee of the Company, who</p> <p>a) if employed throughout the Financial Year, was in receipt of remuneration for that year which, in the aggregate, was not less than Rupees One Crore and two lakh.</p> <p>b) if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than Rupees eight lakh and fifty thousand per month</p>	<p>Pursuant to Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, disclosures with respect to the remuneration of Directors, KMP and employees, are enclosed as Annexure - I(A) to the Board's Report.</p> <p>The information required under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including amendments thereof), is provided in the Annexure forming part of this Report. In terms of the first proviso to Section 136 of the Companies Act, 2013, the Report and Accounts are being sent to the Members excluding the aforesaid Annexure. Any Member interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company.</p>
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For and on behalf of the Board of Directors of
VA TECH WABAG LIMITED

Date: May 21, 2024
Place: Chennai

Milin Mehta
Independent Director
(DIN: 01297508)

Rajiv Mittal
Chairman & Managing Director
(DIN: 01299110)

Annexure – II

Form MR-3

SECRETARIAL AUDIT REPORT

for the financial year ended March 31, 2024

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

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

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **VA TECH WABAG LIMITED** (hereinafter called the 'Company'). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **March 31, 2024** ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made herein.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2024 according to the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;

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

- a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
- e) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR');
- f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- g) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;

We have also examined compliance with the applicable clauses of the following:

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

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

During the period under review, the Company has complied with the applicable provisions of the Acts, Rules, Regulations, Circulars, Notifications, Guidelines, Standards, etc. mentioned above and there are no other specific observations requiring any qualification on non-compliances.

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

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

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

We further report that the Company is in compliance with Regulation 3(5) & 3(6) of the SEBI (Prohibition of Insider Trading) Regulations, 2015 with respect to implementation and maintenance of Structured Digital Database.

We further report that during the audit period,

- a. the shareholders of the Company, *inter alia*, has;

- i. passed an ordinary resolution under section 139 and all other applicable provisions, if any, of the Companies Act, 2013 at the 28th Annual General Meeting (AGM) held on 11th August, 2023 for re-appointment of M/s Sharp & Tannan, Chartered Accountants having Firm Registration No. 003792S as the Statutory Auditors of the Company for another term of five (5) consecutive years, from the conclusion of the 28th AGM until the conclusion of 33rd AGM of the Company.
- ii. passed a special resolution under sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 at the 28th AGM held on 11th August, 2023 for re-appointment of Mr. Ranjit Singh (DIN: 01651357) as an Independent Director of the Company to hold office for a second

term of five (5) consecutive years with effect from 12th November, 2023 up to 11th November, 2028.

- iii. passed a special resolution under sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 at the 28th AGM held on 11th August, 2023 for re-appointment of Mrs. Vijaya Sampath (DIN: 00641110) as an Independent Director of the Company to hold office for a second term of five (5) consecutive years with effect from 1st August, 2023 to 31st July, 2028.
 - iv. passed an ordinary resolution under sections 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 at the 28th AGM held on 11th August, 2023 for re-appointment of Mr. S. Varadarajan (DIN: 02353065) as a Whole Time Director & Chief Growth Officer of the Company for a further period of five (5) years with effect from 1st June, 2023 to 31st May, 2028.
 - v. passed a special resolution under section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 at the 15th Extra-ordinary General Meeting (EGM) held on 30th January, 2024 for the adoption of 'Wabag Centenary Stock Option Scheme 2023'.
 - vi. passed a special resolution under section 62(1)(b) and all other applicable provisions, if any, of the Companies Act, 2013 at the 15th Extra-ordinary General Meeting (EGM) held on 30th January, 2024 for approving extension and grant of Centenary Stock Options to the employees of Group company(ies) including Subsidiary company(ies) and/or Associate company(ies) of the Company under 'Wabag Centenary Stock Option Scheme 2023'.
- b. Board of Directors of the Company, at its various meeting held during the year:
- i. Considered and approved, on 11th April, 2023, the sale of 100% stake held by VA Tech Wabag GmbH, Austria, step down subsidiary of the Company, in Wabag Wassertechnik AG, Switzerland.
 - ii. Considered and approved, by way of circular resolution dated 18th August, 2023, the allotment of 1,00,000 secured, unlisted, redeemable, transferable, rated and interest bearing non-convertible debentures, having a face value of INR 10,000 each, at an aggregate face value of INR 100,00,00,000/- "NCDs" (comprising the series 1 NCDs) to Asian Development Bank at par, in dematerialized form on a private placement basis.
 - iii. took note of the superannuation of Mr. Rajneesh Chopra, Head - Global Business Development, Senior Management Personnel of the Company with effect from 30th September, 2023.

- iv. noted and accepted the resignation of Mr. Pankaj Malhan, Deputy Managing Director & Group CEO (Key Managerial Personnel) of the Company with effect from 30th October, 2023 by way of circular resolution dated 18th October, 2023.
- v. Considered and approved, on 9th February, 2024, the appointment of Cameo Corporate Services Limited, Chennai as the new Registrar and Transfer Agent (RTA) for Equity Shares in place of KFin Technologies Limited, Hyderabad, pursuant to regulation 7 of the SEBI LODR. The said change will take effect after the electronic connectivity is shifted to Cameo Corporate Services Limited and necessary confirmations in this regard are received from both the depositories.
- c. the Nomination and Remuneration Committee of the Company, at its meeting held on 21st March 2024, has considered and approved the grant of 15,00,000 Stock

Options under 'Wabag Centenary Stock Option Scheme 2023' to the eligible employees in terms of the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

M. DAMODARAN

Managing Partner

M DAMODARAN & ASSOCIATES LLP

Membership No.: 5837

COP.No.: 5081

FRN: L2019TN006000

PR 3847/2023

Place: Chennai

Date: May 20, 2024

ICSI UDIN: F005837F000400649

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

Annexure A

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

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

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

M. DAMODARAN

Managing Partner

M DAMODARAN & ASSOCIATES LLP

Membership No.: 5837

COP.No.: 5081

FRN: L2019TN006000

PR 3847/2023

Place: Chennai

Date: May 20, 2024

ICSI UDIN: F005837F000400649

FORM AOC-1

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

(Pursuant to first proviso to sub-section(3) of Section 129 of the Companies Act 2013, read with Rule 5 of the Companies (Accounts) Rules, 2014)

Part “A” : Subsidiaries

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

S. No.	Name of the Subsidiary, Country of Incorporation	Date of acquisition / Incorporation	Reporting period ended	Reporting currency	Share Capital	Reserves and Surplus	Total Assets	Total Liabilities	Details of Investment (Except in case of Investment in Subsidiary)	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation	Profit/ (Loss) after Taxation	Proposed Dividend	Extent of shareholding (in%)
1	VA Tech Wabag (Singapore) Pte. Ltd., Singapore	August 14, 2007	March 31, 2024	SGD	210.23	362.63	1,230.58	657.71	-	1,001.35	11.03	(7.09)	3.94	-	100%
2	VA Tech Wabag (Philippines) Inc., Philippines	May 05, 2011	March 31, 2024	PHP	8.97	193.01	1,472.32	1,270.34	-	356.61	(25.84)	3.26	(22.58)	-	100%
3	VA Tech Wabag Limited Pratihba Industries Limited JV, Nepal	August 12, 2016	March 31, 2024	NPR	-	44.90	66.56	2167	-	20.25	12.12	(3.39)	8.74	-	NA*
4	Wabag Muhibbah JV SDN BHD, Malaysia	September 14, 2015	March 31, 2024	MYR	553.28	(412.67)	247.69	107.07	-	0.00	160.69	-	160.69	-	70%
5	Wabag Limited, Thailand	October 20, 2014	March 31, 2024	THB	-	-	-	-	-	-	-	-	-	-	49%®
6	VA Tech Wabag Muscat LLC, Oman	April 10, 2011	March 31, 2024	OMR	17.70	5.00	36.57	13.86	-	6.14	(10.08)	-	(10.08)	-	70%
7	Wabag Belhassa JV WLL, Bahrain	December 24, 2015	March 31, 2024	BHD	0.90	22.52	201.36	177.95	-	144.61	2.35	-	2.35	-	49%
8	VA Tech Wabag and Roots Contracting L.L.C. Qatar	March 29, 2015	March 31, 2024	QAR	3.44	7.22	16.81	615	-	-	-	-	-	-	60%
9	DK Sewage Project Private Limited, India	September 26, 2019	March 31, 2024	INR	-	-	-	-	-	999.69	49.73	(12.52)	37.22	-	100%#
10	Ghaziabad Water Solutions Private Limited, India (Formerly known as Digha STP Projects Private Limited)	April 30, 2020	March 31, 2024	INR	1710	(56.94)	1,904.95	1,944.79	-	1,412.52	(73.92)	18.61	(55.31)	-	100%
11	Kopri Bio Engineering Private Limited, India	November 27, 2020	March 31, 2024	INR	-	-	-	-	-	-	(0.33)	-	(0.33)	-	51%
12	VA Tech Wabag GmbH, Austria	June 26, 1990	March 31, 2024	EUR	89.95	2,646.12	5,083.10	2,347.03	24.59	947.07	127.08	15.63	142.71	-	100%
13	VA Tech Wabag Deutschland GmbH, Germany	February 02, 2014	March 31, 2024	EUR	20.71	(20.71)	-	-	-	-	-	-	-	-	100%
14	Wabag Water Services S.R.L., Romania	February 18, 2008	March 31, 2024	EUR	0.90	800.94	1,067.99	266.15	-	480.97	21.36	(4.20)	17.17	-	100%
15	VA Tech Wabag Tunisie S.A.R.L., Tunisia	December 22, 2016	March 31, 2024	EUR	57.75	87.84	933.67	788.08	-	562.53	34.41	(5.16)	29.25	-	100%
16	VA Tech Wabag Su Teknolojijsi Ve Tic. A.S., Turkey	October 06, 2010	March 31, 2024	EUR	136.98	(349.49)	23.92	236.43	-	100.32	0.41	0.31	0.72	-	100%

Note: Exchange rate used for Balance Sheet items is the rate as on March 31, 2024 and for Profit and Loss account items, the rate used is the average rate for the FY 2023-24

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

® Wabag Limited, Thailand was liquidated on November 03, 2023

Economic interest held by the Company is 49.8% and 100% Equity is held by the Company

Wabag Wassertechnik AG, Switzerland, a step-down subsidiary of the Company was divested on April 12, 2023

Currency	Rate for Balance Sheet Items INR	Rate for Profit & Loss Account items INR
1SGD	61.75	61.57
1PHP	1.48	1.48
1NPR	0.62	0.63
1MYR	17.64	17.84
1THB	2.29	2.35
1OMR	216.55	215.04
1BHD	221.15	219.62
1BRL	16.62	16.78
1EUR	89.95	89.80

Part “B”: Associates and Joint Ventures

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

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

Name of Associates/Joint Ventures, Country of incorporation	VA Tech Wabag and Roots Contracting L.L.C., Qatar	Windhoek Goreangab Operating Company (Pty) Limited, Namibia	DK Sewage Private Limited, India	Ganga STP Project Private Limited, India
Latest audited Balance Sheet Date	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024
Date on which the Associate or Joint Venture was associated or acquired	March 29, 2015	January 12, 2001	September 26, 2019	April 05, 2019
Shares of Associate/Joint Ventures held by the company on the year end				
No. of Shares	98	33	27,319,999 [^]	18,264,999 [^]
Amount of Investment in Associates/Joint Venture	2	25	273	183
Extend of Holding %	49%	33%	49.8% [#]	26% [§]
Description of how there is a significant influence	There is significant influence due to percentage (%) of share holding	There is significant influence due to percentage (%) of share holding	There is significant influence due to percentage (%) of share holding	There is significant influence due to percentage (%) of share holding
Reason why the associate/joint venture is not consolidated	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Networth attributable to Shareholding as per latest audited Balance Sheet	18.00	35.00	334.00	241.00
Profit / (Loss) for the year				
i) Considered in Consolidation	8.9	11.7	60.1	(26.4)
ii) Not Considered in Consolidation	-	-	-	-

Note: [^] Includes Non-Convertible Debentures

[#] Economic interest held by the Company is 49.8% and 100% Equity is held by the Company

[§] Economic interest held by the Company is 26% and 51% Equity is held by the Company

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

Milin Mehta

Independent Director
(DIN: 01297508)

Rajiv Mittal

Chairman and Managing Director
(DIN: 01299110)

Date: May 21, 2024
Place: Chennai

Skandaprasad Seetharaman

Chief Financial Officer

Anup Kumar Samal

Company Secretary
(Membership No: F4832)

Annexure – IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

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

CSR PROGRAMME IMPLEMENTATION

In furtherance of CSR Policy, CSR programme of VA TECH WABAG LIMITED ("the Company" or "WABAG") is implemented on the following important guiding principles among others:

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

During the FY 2023-24, WABAG implemented the following CSR projects including the on-going projects:

ON-GOING PROJECTS FOR FY 2023-24:

Project 1: Livelihood Support Programme at Kolkata

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

After completion of nearly ten months of this livelihood program, during the month of January 2024, WABAG took a survey on this project with the support of an NGO by meeting every Permanently Affected People (PAPs) and their family members at their houses and the place where they have started their new livelihood on how their new livelihood improved. The Company's study showed that 11% of PAPs monthly income have increased to INR 6,000 – 9,000 range, 65% of PAPs monthly income have increased to INR 10,000 – 14,000 range, 15% of PAPs monthly income have increased to INR 15,000 – 19,000 range and 9% of PAPs monthly income have increased to INR 20,000 and above. Skill development and marketing training given to them have also helped them increase their monthly income and standard of living. Glimpses of Survey and PAPs meet are as under:

CSR PROJECT : LIVELIHOOD REHABILITATION PROGRAM (LRP) Survey Conducted in Jan'24 : To Understand the Impact of LRP



☐ Glimpses of Survey and PAPs meet



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CONCLUSION OF SURVEY TAKEN DURING JAN'24



Change of Income due to change of Livelihood:

Change in Average Monthly Income (Rs.)				
	Rs. 6,000 – 9,000	Rs. 10,000 – 14,000	Rs. 15,000 – 19,000	Rs. 20,000 & above
Previous Livelihood	64% (28)	25% (13)	(0)	11% (5)
New Livelihood	11% (5)	65% (30)	15% (7)	9% (4)



Conclusion :-

- From the above findings it is clear that the income level of PAPs have improved on account of the LRP.
- Skill development and marketing training given to them have helped them to enhance their business.
- Based on our Survey Report, IFC has also confirmed the closure of LRP and documented the same.

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Project 2: Chennai City Sanitation Plan

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

As this project was maintained well, there was representation from public and GCC to maintain the two sanitation complexes for a further period of one year. Accordingly, WABAG extended the maintenance of this sanitation project for another year by investing - INR 1.50 Lakhs. Glimpses of Chennai City Sanitation Project are as under:

Sanitation Project at Kamakotti Nagar & Ashtalakshmi Nagar, Pallikaranai, Chennai



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OTHER THAN ON-GOING PROJECTS FOR THE FY 2023 - 24:

Project 1: Project under Industry Partnership Model:

In line with the notification issued by the Government of India, Ministry of Skill Development and Entrepreneurship, WABAG implemented the CSR project under the Apprenticeship Act by engaging apprentices as per minimum mandate and imparted training. For the FY 2023-24, WABAG engaged apprentices aggregating to around 115 apprentices, which included the minimum mandate as per the Apprenticeship Act. Glimpses of the Apprentices Training Program are as under:

Apprenticeship Training Programme FY 2023-24



sustainable solutions. for a better life.

3 MONTHS

4 GROUPS

7 FUNCTIONS

PROCESS & PROPOSAL

ENGINEERING

QUALITY

PROCUREMENT

PROJECT MANAGEMENT

PROJECT CONTROL

SITE CONSTRUCTION



Expedition Team Visit @ Milton Roy



Functional Training @ HO



Construction Training @ KMDA

BUSINESS ACCUMEN ORIENTATION



Construction Training @ D&K



O&M Training @ MRPL

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1. Brief outline on CSR Policy of the Company:

Pursuant to the provisions of Section 135(4) of the Companies Act, 2013 ("the Act"), the major contents of the CSR policy includes WABAG's CSR approach and guiding principles, core ideology, total outlay for each financial year, allocation of resources and thrust areas, formulation of annual action plan, executing agency / partners and impact assessment. The CSR Policy of WABAG was initially approved by the Board at its meeting held on May 24, 2014 and subsequently got amended by the Board at its meeting held on June 05, 2021 and February 10, 2023 as per the recommendation of the CSR Committee.

2. Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mrs. Vijaya Sampath	Independent Director (Woman Director) – Chairperson	4	4
2.	Mr. Amit Goela	Non-Executive Non- Independent Director – Member	4	4
3.	Mr. Rajiv Mittal	Chairman & Managing Director – Member	2*	2
4.	Mr. S. Varadarajan	Whole Time Director & Chief Growth Officer – Member	4	4
5.	Mr. Ranjit Singh	Independent Director - Member	2*	2

*Mr. Rajiv Mittal resigned as the member and Mr. Ranjit Singh was appointed as the member of the CSR Committee w.e.f August 11, 2023

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

<https://www.wabag.com/wp-content/uploads/2023/02/CSR-Policy.pdf> and <https://www.wabag.com/csr/>

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

5. a) Average net profit of the Company as per Section 135(5): INR 7,066.00 Lakhs
 b) Two percent of average net profit of the Company as per Section 135(5): INR 141.31 Lakhs
 c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
 d) Amount required to be set off for the financial year, if any: Nil
 e) Total CSR obligation for the financial year (b+[c]-[d]): INR 141.31 Lakhs

6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): INR 141.31 Lakhs
 b) Amount spent in Administrative Overheads: Nil
 c) Amount spent on Impact Assessment, if applicable: NA
 d) Total amount spent for the financial year [(a)+(b)+(c)]: INR 141.31 Lakhs
 e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Amount Unspent (in INR Lakhs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
141.31	NA	-	Nil	-	-

- f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in INR Lakhs)
(i)	Two percent of average net profit of the Company as per Section 135(5)	141.31
(ii)	Total amount spent for the financial year	141.31
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of Unspent CSR amount for the preceding three financial years:

(in INR Lakhs)

Sl. No	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under section 135(6)	Balance Amount in Unspent CSR Account under section 135(6)	Amount spent in the Financial Year	Amount transferred to a fund as specified under Schedule VII as per second proviso to section 135(6), if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of transfer		
1	2020-21	89.09*	-	-	-	-	-	-
2	2021-22	136.97	11.15	8.85	-	-	2.31**	-
3.	2022-23	-	-	-	-	-	-	-

* the said amount was spent during the FY 2021-22

** the amount of INR 2.31 Lakhs will be spent during the FY 2024-25, in addition to the CSR obligations for the FY 2024-25.

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

No

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

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

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

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

Not Applicable

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

Vijaya Sampath

Chairperson - CSR Committee
(DIN: 00641110)

Rajiv Mittal

Chairman and Managing Director
(DIN: 01299110)

Date: May 21, 2024
Place: Chennai

Annexure – V

FORM AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH RELATED PARTIES

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

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

a. Name(s) of the related party and nature of relationship	} Not applicable since there were no contracts or arrangements or transactions entered into during the year ended March 31, 2024, which were not at arm's length basis.
b. Nature of contracts / arrangements / transactions	
c. Duration of the contracts / arrangements / transactions	
d. Salient terms of the contracts or arrangements or transactions including the value, if any	
e. Justification for entering into such contracts or arrangements or transactions	
f. Date (s) of approval by the Board	
g. Amount paid as advances, if any	
h. Date on which the resolution was passed in general meeting as required under first proviso to section 188	

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

a. Name(s) of the related party and nature of relationship	} Not applicable since there were no material contracts or arrangements or transactions entered into during the year ended March 31, 2024.
b. Nature of contracts / arrangements / transactions	
c. Duration of the contracts / arrangements / transactions	
d. Salient terms of the contracts or arrangements or transactions including the value, if any	
e. Date(s) of approval by the Board, if any	
f. Amount paid as advances, if any	

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

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

Date: May 21, 2024
Place: Chennai

Milin Mehta
Independent Director
(DIN: 01297508)

Rajiv Mittal
Chairman and Managing Director
(DIN: 01299110)

Annexure – VI

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo (Particulars pursuant to the Companies (Accounts) Rules, 2014)

(A) Conservation of energy

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

Energy Conservation measures adopted at WABAG

- Effective planning and implementing of 52-week maintenance schedule with continuous monitoring which leads not only to energy conservation but also on the increased life cycle of equipment.
- Integrated building management system to remotely monitor and control all utility equipment for better energy conservation.
- Operation of Active Harmonic Filter to improve Power quality and increasing lifecycle of equipment.
- Taking advantage of natural light by opening blinds during the day has significantly reduced reliance on artificial lighting.
- Encouraging employees to turn off lights and electronics when not in use, taking the stairs when possible.

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

Entered into a wheeling agreement with Wind power generating company and obtained an overall **82%** wind power against the total annual consumption.

(iii) The capital investment on energy conservation equipments:

NA

(B) Technology absorption-

(i) The efforts made towards technology absorption;	} The details on R&D efforts and technology absorption are disclosed in the Management Discussion & Analysis and in story section forming part of this report
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;	
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
(a) The details of technology imported;	
(b) The year of import;	
(c) Whether the technology been fully absorbed;	
(d) If not fully absorbed, areas where absorption has not taken and the reasons thereof.	
(iv) The expenditure incurred on Research and Development	INR 36 Million

(C) Foreign exchange earnings and Outgo

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

(INR in Lakhs)

	2023-24	2022-23
Earnings in Foreign Currency	68,501	59,637
Expenditure in Foreign Currency	47,952	42,980

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

Date: May 21, 2024
Place: Chennai

Milin Mehta
Independent Director
(DIN: 01297508)

Rajiv Mittal
Chairman and Managing Director
(DIN: 01299110)

MANAGEMENT DISCUSSION AND ANALYSIS

Global economy

Overview: Global economic growth declined from 3.5% in 2022 to an estimated 3.1% in 2023. A disproportionate share of global growth in 2023-24 was expected to come from Asia, despite the weaker-than-expected recovery in China, sustained weakness in USA, higher energy costs in Europe, weak global consumer sentiment on account of the Ukraine-Russia war, Israel-Palestine war and the Red Sea crisis resulting in higher logistics costs. A tightening monetary policy translated into increased policy rates and interest rates for new loans.

Growth in advanced economies was expected to slow down from 2.6 percent in 2022 to 1.5 percent in 2023 and 1.4 percent in 2024 as policy tightening takes effect. Emerging market and developing economies are projected to report a marginal growth decline from 4.1 percent in 2022 to 4.0 percent in 2023 and 2024. Global inflation is expected to decline steadily from 8.7 percent in 2022 to 6.9 percent in 2023 and 5.8 percent in 2024, due to a tighter monetary policy aided by relatively lower international commodity prices. Core inflation decline is expected to be more gradual; inflation is not expected to return to target until 2025 in most cases. The US Federal Reserve approved a much-anticipated interest rate hike that took the benchmark borrowing costs to their highest in more than 22 years.

Global trade in goods was expected to have declined nearly US\$2 trillion in 2023; trade in services was expected to have expanded US\$500 billion. The cost of Brent crude oil averaged \$83 per barrel in 2023, down from \$101 per barrel in 2022, with crude oil from Russia finding destinations outside the European Union and global crude oil demand falling short of expectations.

Global equity markets ended 2023 on a high note, with major global equity benchmarks delivering double-digit returns. This outperformance was led by a decline in global inflation, slide in the dollar index, declining crude and higher expectations of rate cuts by the US Fed and other Central banks.

Regional growth (%)	2023	2022
World output	3.1	3.5
Advanced economies	1.69	2.5
Emerging and developing economies	4.1	3.8

(Source: UNCTAD, IMF)

Performance of major economies, 2023

United States: Reported GDP growth of 2.5% in 2023 compared to 1.9% in 2022

China: GDP growth was 5.2% in 2023 compared to 3% in 2022

United Kingdom: GDP grew by 0.4% in 2023 compared to 4.3% in 2022

Japan: GDP grew 1.9% in 2023 unchanged from a preliminary 1.9% in 2022

Germany: GDP contracted by 0.3% in 2023 compared to 1.8% in 2022

(Source: PWC report, EY report, IMF data, OECD data, Livemint)

Outlook: Asia is expected to continue to account for the bulk of global growth in 2024-25. Inflation is expected to ease gradually as cost pressures moderate; headline inflation in G20 countries is expected to decline. The global economy has demonstrated resilience amid high inflation and monetary tightening, growth around previous levels for the next two years (Source: World Bank).

Indian economy

Overview: The Indian economy was estimated to grow 7.8 per cent in the 2023-24 fiscal against 7.2 per cent in 2022-23 mainly on account of the improved performance in the mining and quarrying, manufacturing and certain segments of the services sector. India retained its position as the fifth largest economy. The Indian rupee displayed relative resilience compared to the previous year; the rupee opened at INR 82.66 against the US dollar on the first trading day of 2023 and on 27 December was INR 83.35 versus the greenback, a depreciation of 0.8%.

In the 11 months of FY 2023-24, the CPI inflation averaged 5.4 percent with rural inflation exceeding urban inflation. Lower production and erratic weather led to a spike in food inflation. In contrast, core inflation averaged at 4.5 percent, a sharp decline from 6.2 percent in FY 23. The softening of global commodity prices led to a moderation in core inflation.

The nation's foreign exchange reserves achieved a historic milestone, reaching \$645.6 billion. The credit quality of Indian companies remained strong between October 2023 and March 2024 following deleveraged Balance Sheets, sustained domestic demand and government-led capital expenditure. Rating upgrades continued to surpass rating downgrades in H2 FY24. UPI transactions in India posted a record 56 per cent rise in volume and 43 per cent rise in value in FY24.

Growth of the Indian economy

	FY 21	FY 22	FY23	FY24
Real GDP growth (%)	-6.6	8.7	7.2	7.8

Growth of the Indian economy quarter by quarter, FY 2023-24

	Q1FY24	Q2FY24	Q3FY24	Q4FY24E
Real GDP growth (%)	8.2	8.1	8.4	8.2

E: Estimated

(Source: Budget FY24; Economy Projections, RBI projections, Deccan Herald)

The FY 24 growth in the economy was the highest since FY17, excluding the 9.7% post-Covid rebound in gross domestic product (GDP) in FY22 from the 5.8% contraction in FY21.

India's monsoon 2023 hit a five-year low. August was the driest month in a century. From June to September, the country received only 94 per cent of its long-term average rainfall. Despite this reality, wheat production was expected to touch a record 114 million tonnes in the 2023-24 crop year on account of higher coverage. Rice production was expected to decline to reach 106 million metric tons (MMT) compared to 132 million metric tonnes in the previous year. Total kharif pulses production for 2023-24 was estimated at 71.18 lakh metric tonnes, lower than the previous year due to climatic conditions.

As per the first advance estimates of national income released by the National Statistical Office (NSO), the manufacturing sector output was estimated to grow 6.5 per cent in 2023-24 compared to 1.3 per cent in 2022-23. The Indian mining sector growth was estimated at 8.1 per cent in 2023-24 compared to 4.1 per cent in 2022-23. Financial services, real estate and professional services were estimated to record a growth of 8.9 per cent in 2023-24 compared to 7.1 per cent in FY 2022-23.

Real GDP or GDP at constant prices in 2023-24 was estimated at INR 171.79 lakh Crores as against the provisional GDP estimate of 2022-23 of INR 160.06 lakh Crores (released on 31st May 2023). Growth in real GDP during 2023-24 was estimated at 7.3 per cent compared to 7.2 per cent in 2022-23. Nominal GDP or GDP at current prices in 2023-24 was estimated at INR 296.58 lakh Crores against the provisional 2022-23 GDP estimate of INR 272.41 lakh Crores. The gross non-performing asset ratio for scheduled commercial banks dropped to 3.2 per cent as of September 2023, following a decline from 3.9 per cent at the end of March 2023.

India's exports of goods and services were expected to touch \$900 billion in 2023-24 compared to \$770 billion in the previous year despite global headwinds. Merchandise exports were expected to expand between \$495 billion and \$500 billion, while services exports were expected to touch \$400 billion during the year. India's net direct tax collection increased 19 per cent to INR 14.71 Lakh Crores by January 2024. The gross collection was 24.58 per cent higher than the gross collection for the corresponding period of the previous year. Gross GST collection of INR 20.2 lakh Crores

represented an 11.7% increase; average monthly collection was INR 1,68,000 Crores, surpassing the previous year's average of INR 1,50,000 Crores.

The agriculture sector was expected to see a growth of 1.8 per cent in 2023-24, lower than the 4 per cent expansion recorded in 2022-23. Trade, hotel, transport, communication and services related to broadcasting segment are estimated to grow at 6.3 per cent in 2023-24, a contraction from 14 per cent in 2022-23. The Indian automobile segment was expected to close FY 2023-24 with a growth of 6-9 per cent, despite global supply chain disruptions and rising ownership costs.

The construction sector was expected to grow 10.7 per cent year-on-year from 10 per cent in 2023-23. Public administration, defence and other services were estimated to grow by 7.7 per cent in 2023-24 compared to 7.2 per cent in FY2022-23. The growth in gross value added (GVA) at basic prices was pegged at 6.9 per cent, down from 7 per cent in 2022-23.

India reached a pivotal phase in its S-curve, characterized by acceleration in urbanization, industrialization, household incomes and energy consumption. India emerged as the fifth largest economy with a GDP of US\$3.6 trillion and nominal per capita income of INR 123,945 in 2023-24.

India's Nifty 50 index grew 30 percent in FY 2023-24 and India's stock market emerged as the world's fourth largest with a market capitalization of US\$4 trillion. Foreign investment in Indian government bonds jumped in the last three months of 2023. India was ranked 63 among 190 economies in the ease of doing business, according to the latest World Bank annual ratings. India's unemployment declined to a low of 3.2% in 2023 from 6.1% in 2018.

Outlook: India withstood global headwinds in 2023 and is likely to remain the world's fastest-growing major economy on the back of growing demand, moderate inflation, stable interest rates and robust foreign exchange reserves. The Indian economy is anticipated to surpass USD 4 trillion in 2024-25.

Union Budget FY 2024-25: The Interim Union Budget 2024-25 retained its focus on capital expenditure spending, comprising investments in infrastructure, solar energy, tourism, medical ecosystem and technology. In 2024-25, the top 13 ministries in terms of allocations accounted for 54% of the estimated total expenditure. Of these, the Ministry of Defence reported the highest allocation at INR 6,21,541 Crores, accounting for 13% of the total budgeted expenditure of the central government. Other ministries with high allocation included Road transport and highways (5.8%), Railways (5.4%) and Consumer Affairs, food and public distribution (4.5%).

(Source: Times News Network, Economic Times, Business Standard, Times of India)

INDUSTRY STRUCTURE, DEVELOPMENTS, OPPORTUNITIES, THREATS AND INDUSTRY OUTLOOK

Global water sector

Overview: Global water use has risen by approximately 1% annually in the last four decades, primarily in middle- and lower-income countries, driven by population growth, socio-economic development, and changing consumption patterns. Northern America and Central Asia exhibit the highest water withdrawals per capita. Groundwater accounts for half of global domestic water use and 25% for irrigation. Groundwater depletion hotspots, often linked to irrigation or urban supply, are widespread. The projected trajectory suggests a continued 1% annual increase, leading to a 20-30% rise by 2050, with a margin of error exceeding 50%. With 71% of the Earth's surface covered by water, 96.5% of it resides in the oceans. However, factors such as a growing population, evolving lifestyles, rapid urbanization, industrialization, and climate changes are consistently straining this vital survival resource. The current global water sector investment needs surpass \$1.37 trillion. Achieving SDG 6 by 2030 necessitates a sixfold increase in investments.

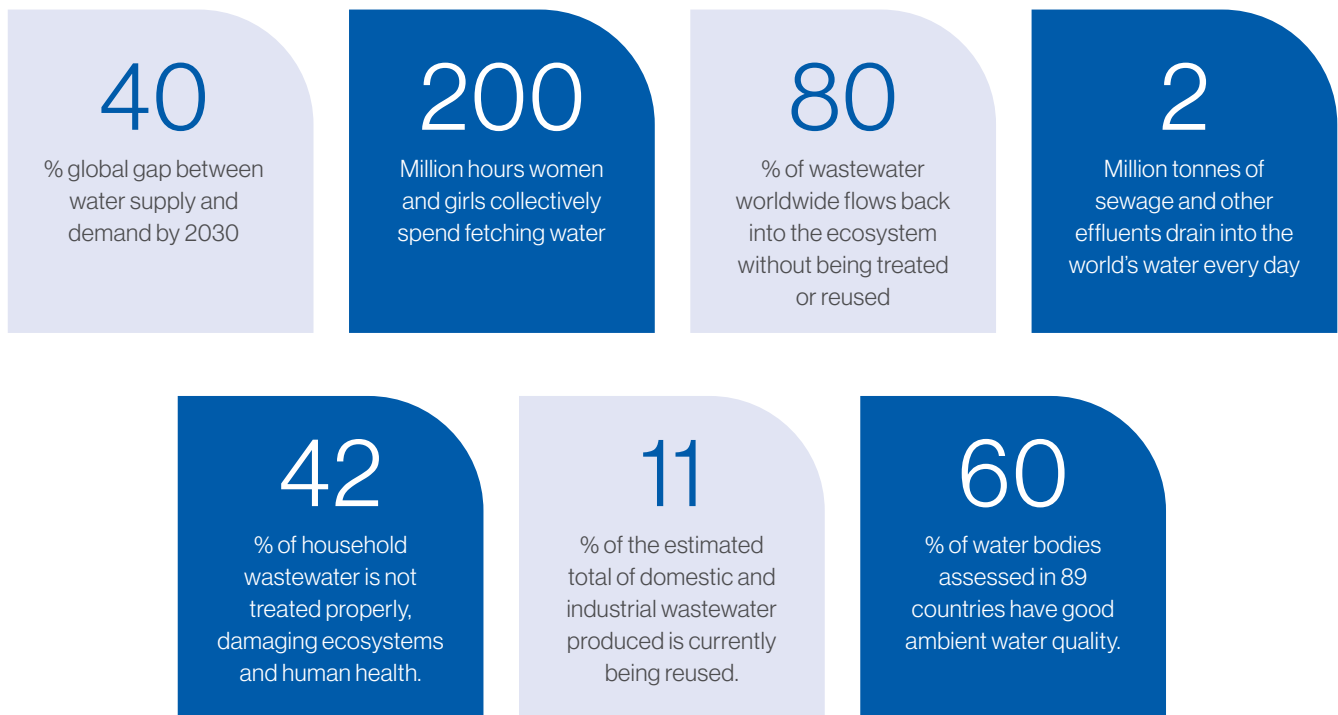
Projected global water withdrawal is set to hit 4,350 billion cubic meters by 2040, with demand growth doubling population growth

in recent decades. Key contributors to this surge are anticipated to be India, Africa, and developing nations in Asia. Agriculture, mainly for irrigation, remains a major global water consumer. Future water usage trends hinge on factors like urbanization, improving living standards, goods demand, and dietary shifts.

Despite the Asia-Pacific region's rapid economic growth, nearly 500 million people lack access to basic water and 1.14 billion for sanitation. Urbanization, with 55% of the population living in cities by 2030, will increase water demand by 55%. Agriculture consuming 70% of freshwater, competes for diminishing resources. Water quality has worsened, with a 50% increase in river pollution and rising salinity. Around 80% of wastewater is untreated. Frequent disasters, like floods, have claimed 31,000 lives and displaced 4.9 million in the past decade, threatening water security.

The Asian Development Bank (ADB), in collaboration with the World Bank and other multilateral institutions, initiated Strategy 2030 to foster a resilient and water-secure Asia-Pacific region. With a projected annual portfolio of around \$4 billion, ADB aims to bolster the water sector through infrastructure investments, grants, and technical assistance. It also focuses on enhancing awareness and capacities within the sector through knowledge-sharing events like the Asia Water Forum 2022 (AWF 2022), trainings, publications, and the upcoming Asia Pacific Water Resilience Hub.

Big numbers



(Source: The United Nations World Water Development Report 2023, worldbank.org, statista.com, adb.org, businessnewsthisweek.com, downtoearth.org.in, oecd.org, weforum.org, business-standard.com, makemothersmatter.org, unwater.org, unesco.org, unwater.org)

Global water treatment industry overview

The global water and wastewater treatment market is expected to experience robust growth, with a projected increase from \$323.32 billion in 2023 to \$536.41 billion by 2030, reflecting a Compound Annual Growth Rate (CAGR) of 7.5%. This growth is attributed to various factors such as heightened demand from industries, growing awareness of health issues, water scarcity concerns, the impact of climate change, and stringent environmental regulations.

The objectives of water treatment processes are to enhance water quality for its intended purpose by eliminating pollutants and unwanted components or by reducing the concentration of hazardous substances. Furthermore, the global wastewater treatment plant market is anticipated to generate revenue of USD 222.3 billion by 2032, exhibiting a CAGR of 6.2% from 2023 to 2032. A key trend driving market demand is the increasing adoption of smart water management systems in wastewater treatment plants, underscoring the industry's commitment to innovation and sustainability. (Source: fortunebusinessinsights.com, acumenresearchandconsulting.com)

Global wastewater treatment market overview

The global wastewater treatment market experienced significant growth, reaching approximately USD 59.61 billion in value in 2023. Forecasts indicate continued expansion in the period from 2024 to 2032, with a projected CAGR of 6.30%. By 2032, the market is expected to reach a valuation of USD 103.30 billion. This growth is propelled by an anticipated increase in wastewater production, expected to rise by 24% by 2030 and 51% by 2050.

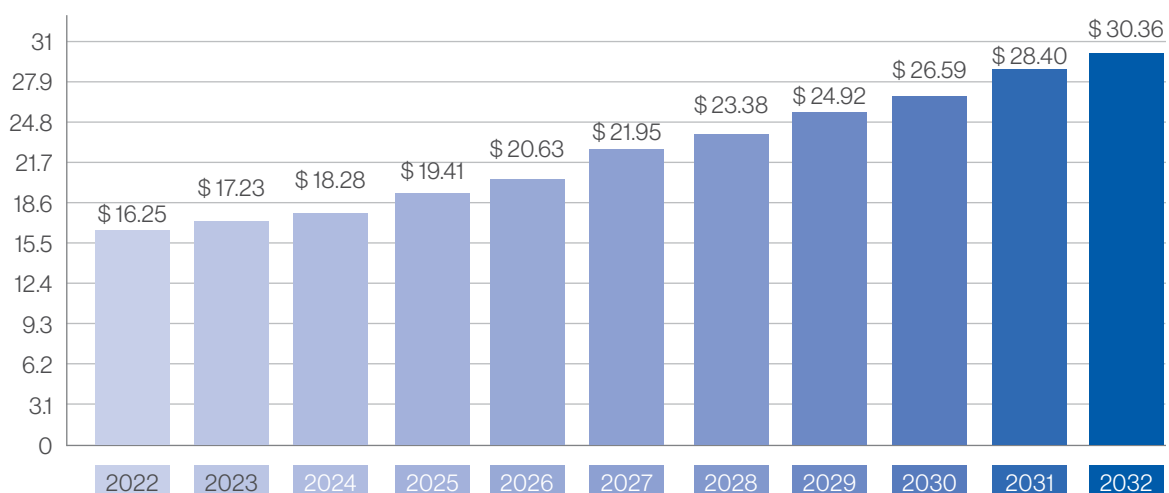
Key regions driving the growth of the global wastewater treatment market include the Asia-Pacific region, Europe, and North America, where the market is already fully developed. However, there is considerable potential for further expansion in the Middle East & Africa and Latin America regions, which are considered high-potential markets with ample room for growth. (Source: expertmarketresearch.com, reliefweb.int)

Global industrial wastewater market overview

The global industrial wastewater treatment market exhibited robust growth, reaching a valuation of USD 17.23 billion in 2023. Projections indicate continued expansion, with the market expected to reach around USD 30.36 billion by 2032, with a CAGR of 6.50%. The Asia Pacific region contributed significantly to this growth, with its industrial wastewater treatment market valued at USD 6.04 billion in 2023. By 2032, this market is expected to reach USD 10.83 billion, growing at a CAGR of 6.70% from 2023 to 2032.

The increasing demand for effective industrial wastewater treatment is primarily driven by growing environmental concerns and stringent government regulations. Industrial wastewater treatment involves the conversion of wastewater from various industries into usable soft water for processing. The adoption of wastewater treatment systems in the industrial sector offers several benefits, including waste reduction, energy production, fertiliser production, and the provision of clean and processed water.

INDUSTRIAL WASTEWATER TREATMENT MARKET SIZE 2022 TO 2032 (USD BILLION)



(Source: precedenceresearch.com)

Global desalination market overview

The global water desalination market size is projected to grow by USD 11.2 billion from 2023 to 2029, registering a CAGR of 8.7 percent. Water desalination is a method aimed at purifying water by eliminating impurities and excess salts, rendering it suitable for various purposes. This technique is applicable to seawater or brackish water. The escalating water demand, urbanization, and expanding population are significant factors propelling the widespread implementation of desalination plants.

With water covering 71% of the Earth's surface, only 3% is freshwater available for drinking and agriculture, making water conservation critical. Approximately 785 million lack access to clean drinking water, while 2 billion use contaminated sources. Water consumption has increased by 1% annually since the 1980s, expected to continue due to factors like population growth. By 2030, half the world's population may face water scarcity. Only 1% of freshwater is directly available for human use, with the majority frozen. Depleting freshwater resources have boosted the demand for desalinated water.

The Middle East & Africa lead the global desalination industry, prioritizing large-scale facilities to reduce reliance on costly imported water. In the Asia-Pacific region, rapid urbanization drives heightened water demand, fostering growth in desalination to address escalating water scarcity. (Source: [marketresearch.com](https://www.marketresearch.com), [marketsandmarkets.com](https://www.marketsandmarkets.com))

Demand drivers

Fresh water shortage: Some 3% of the Earth's water is freshwater, with two-thirds stored in frozen glaciers or inaccessible. Consequently, 1.1 billion people lack water access and 2.7 billion face water scarcity for at least one month annually. (Source: [worldwildlife.org](https://www.worldwildlife.org))

Water recycling: The global water recycling and reuse market is projected to hit \$31.9 billion by 2028, growing at a CAGR of 11.0% from \$19.0 billion in 2023. Increasing industrial demand, a push for water recycling, and environmental concerns are key drivers for this market expansion. (Source: [bccresearch.com](https://www.bccresearch.com))

Drinking water availability: Approximately 2.2 billion people lack access to safe water services: 1.5 billion with 'basic services,' 292 million with 'limited' water, 296 million using unimproved sources, and 115 million collecting drinking water directly from surface water sources. (Source: [unicef.org](https://www.unicef.org))

Rapid urbanization: Currently, more than 50% of the global population resides in urban areas. By 2045, the urban population is expected to grow 1.5 times to 6 billion, driving increased water demands for city expansion, infrastructure development, and meeting urban needs. (Source: [worldbank.org](https://www.worldbank.org))

Industrial expansion: Growing industries require substantial water resources for manufacturing processes, cooling, steam

generation and other operational needs, contributing to increased demand.

Climate change: Altered precipitation patterns and more extreme weather events can affect water availability, influencing demand and water management strategies.

Agricultural needs: The agriculture sector's gross production value is forecasted to reach US\$3.90tn in 2024, with an expected annual growth rate of 5.66% (CAGR 2024-2028). By 2028, the gross production value is projected to be US\$4.86tn. Rising food demand amplifies the need for water in agricultural irrigation. (Source: [statista.com](https://www.statista.com))

India's water sector overview

India has 18 percent of the world's population, but only 4 percent of its water resources, making it among the most water-stressed in the world. A large number of Indians face high to extreme water stress. India's dependence on an increasingly erratic monsoon for its water requirements increases this challenge. Climate change is likely to exacerbate this pressure on water resources, even as the frequency and intensity of floods and droughts in the country increases. About 97 percent of the population experienced severe water scarcity for at least one month annually due to improper water management. Although not a 'water scarce' nation yet, it is in a 'water-stressed' situation with annual per capita water availability below 1,700 cubic metres. Melting of Himalayan glaciers and erratic monsoon rainfall due to climate change could further increase this stress.

India treats just a third of the 72,368 million litres of sewage generated in its urban areas every day. Untreated water not only goes to waste but also pollutes groundwater, rivers and other water bodies. Therefore, judicious use of water in agriculture – which consumes nearly 89% of freshwater – and efforts to reuse wastewater are key to improving the situation.

The Union Ministry of Water Resources projects India's water requirements to reach 1093 BCM by 2025 and 1447 BCM by 2050, barely matching the estimated available resources with a population of 1.5 billion by 2050. Per capita water availability has declined from 5177 m³ in 1951 to 1342 m³ in 2000. India is expected to become 'water stressed' by 2025 and 'water scarce' by 2050. The National Commission for Integrated Water Resource Development estimates that out of the total annual availability of 1953 BCM, only 55.6% (1123 BCM) can be utilized due to pollution and other constraints.

The total water demand in India is projected to increase 22% and 32% in 2025 and 2050 respectively and, by 2050, 85% of this demand is expected to come from industrial and domestic sectors alone. Among the regions, the south and the northwest are expected to face the worst in the next two years.

The per capita water availability in India has reduced over the last five decades. About 50 years ago, the per capita availability of water in India used to be 5,000 cubic metres. It has reduced to 1,500 cubic metres due to increased population and water usage. The average annual rainfall in our country is 1184mm. About 4,000

billion cubic meters of water comes from the annual precipitation and the harvestable component is around 2000 billion cubic metres; our total water-bearing capacity on the surface is less than 300 billion cubic metres.

Sector wise projected water demand in India

Sector	Water demand in bcm					
	2010		2025		2050	
	High	Low	High	Low	High	Low
Irrigation	543	557	561	611	628	807
Drinking Water	42	43	55	62	90	111
Industry	37	37	67	67	81	81
Energy	18	19	31	33	63	70
Other	54	54	70	70	111	111
Total	694	710	784	843	973	1180

(Source: worldbank.org, statista.com, indiaenvironmentportal.org.in, indiatimes.com, deccanherald.com, adriindia.org)

Government initiatives

AMRUT 2.0: AMRUT 2.0, launched in October 2021, spans five years (FY 2021-22 to 2025-26). The mission emphasizes financial sustainability, citizen's quality of life and water sector reforms.

Its features include:

- It will build upon the progress of AMRUT to address water needs, rejuvenate water bodies, better manage aquifers, reuse treated wastewater, thereby promoting a circular economy of water.
- It will provide 100% coverage of sewerage and septage in 500 AMRUT cities.
- Recycling and reuse of treated wastewater is expected to cater to 20% of total water needs of the cities and 40% of industrial demand. Under the Mission, fresh water bodies will be protected from getting polluted to make natural resources sustainable.
- It aims to make 500 cities self-reliant and water secure, with universal coverage of sewerage and septage management. (Source: pib.gov.in)

Jal Shakti Abhiyan: Catch the rain (JSA:CTR): Focusing on saving and conserving rainwater with the theme "Source sustainability for drinking water" from 04 March 2023 to 30 November 2023 in the pre-monsoon and monsoon periods of 2023, covering both urban and rural areas of all the districts in the country. In this year key focus of JSA:CTR - 2023 is on ensuring source sustainability in 150 water stressed district of the country, identified by Jal Jeevan Mission. Its features include:

- Water conservation, rainwater harvesting, geo-tagging of water bodies, establishment of Jal Shakti Kendras through, intensive afforestation and awareness creation.

- Desilting and cleaning of water bodies.
- Revitalising abandoned borewells, geo-tagging and mapping of water bodies.
- Intensified afforestation in catchment areas, snow harvesting in hilly regions, and rejuvenation of small rivers.

Jal Jeevan Mission (JJM): Jal Jeevan Mission, launched by Prime Minister Shri Narendra Modi in August 2019, is a transformative initiative dedicated to providing safe and ample drinking water to all rural households. Its features include:

- Providing functional household tap water connections.
- Upgrading rural water supply infrastructure.
- Improving water quality and reducing contaminants.
- Creating water conservation and harvesting systems.
- Implementing Water Technology and Management systems.
- Empowering local communities and institutions for water management.

Over the past four years, this mission has achieved a significant milestone, reaching 13.91 Crores households with tap water connections and profoundly impacting rural communities. In 2023, the mission crossed several milestones and progressed from 11 Crores connection at the start of the year to nearly 14 Crores tap connections by the end of the year. In 2023-24, so far, the Government of India has released INR 45,841.39 Crores to 26 eligible States for the implementation of Jal Jeevan Mission in the financial year 2023-24. (Source: pib.gov.in) Swachh Bharat Mission - Urban 2.0: Swachh Bharat Mission (SBM-U) 2.0 has been launched on October 1, 2021 for a period of five years with a vision of achieving Garbage Free Status for all cities through 100% source segregation, door to door collection and scientific

management of all fractions of waste including safe disposal in scientific landfills. Its features include:

- No untreated used water or faecal sludge is discharged into the environment and all used water (including sewerage and septage, grey water and black water) is safely contained, transported, and treated, along with maximum reuse of treated used water, in all cities with less than 1 lakh population.
- To sustain open defecation free status in all statutory towns.

(Source: pib.gov.in)

Atal Bhujal Yojana: Atal Bhujal Yojana is a central sector scheme worth INR 6,000 Crores which aims for sustainable management of groundwater with community participation.

It is being implemented by the Ministry of Jal Shakti (earlier known as Ministry of Water Resources, River Development and Ganga Rejuvenation). The scheme is being funded by the Government of India and the World Bank on 50:50 basis. The identified over-exploited and water-stressed areas for the implementation of the scheme are Gujarat, Haryana, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, and Uttar Pradesh. Its features include:

- Envisage people's participation through the formation of water budgeting, preparation and implementation of Gram-panchayat-wise water security plans, etc.
- Emphasise community participation and demand side interventions for sustainable ground water management in identified water stressed areas in seven States of the Country.
- Envisage improved source sustainability for Jal Jeevan Mission, positive contribution to the Government's goal of 'doubling farmer's income' and inculcating behavioral changes in the community to facilitate optimal water use.

(Source: ataljal.hid.gov.in)

Namami Gange Programme: Namami Gange Programme was launched in June 2014 for a period up to 31st March, 2021 to rejuvenate River Ganga and its tributaries with a budgetary outlay of INR 20,000 Crores. Considering the need and spread of the Programme, Government of India has further approved Namami Gange Mission-II with a budgetary outlay of INR 22,500 Crores till 2026 interalia including projects for existing liabilities (INR 11,225 Crores) and new projects/interventions (INR 11,275 Crores). A total of INR 14,084.72 Crores has been released by the Government of India to the National Mission for Clean Ganga (NMCG), from Financial Year (FY) 2014-15 till 31st January 2023, out of which INR 13,607.18 Crores have been released by NMCG to State Governments, State Missions for Clean Ganga and other agencies for implementation of projects related to Ganga rejuvenation. Its features include:

- Sewage Treatment Infrastructure.
- River-Front Development.
- River-Surface Cleaning.
- Bio-Diversity.
- Afforestation.
- Public Awareness.
- Industrial Effluent Monitoring.
- Ganga Gram.

National River Conservation Directorate (NRCD): The NRCD, initiated by the Indian Government, endeavors to mitigate river pollution through a range of pollution abatement projects, thereby enhancing water quality in rivers. Its features include:

- Identification and protection of priority rivers: NRCD identifies and prioritizes rivers requiring conservation efforts, focusing on their habitat, biodiversity, and water quality.
- River surveillance: The directorate conducts regular monitoring and surveillance of river systems to detect pollution, changes in water quality, and any other environmental concerns.
- Public awareness and education: NRCD engages in awareness campaigns and educates local communities on the importance of river conservation and sustainable practices.

National Infrastructure Pipeline (NIP): NIP has a projected investment of around INR 111 trillion for FY20-25 for developing a comprehensive view of infrastructure development in the country. At the time of its launch, NIP consisted of 6,835 projects. It has now expanded to over 9,000 projects across 35 sub-sectors and covers economic and social infrastructure projects jointly funded by the Central Government, State Governments, and the private sector. Its features include:

- Capturing key greenfield and brownfield projects for investments across all economic and social infrastructure sub-sectors on a best-effort basis.
- Addressing lack of infrastructure issues so that it does not become a binding constraint on the growth of the Indian economy.
- Improving the infrastructure and realising the growth potential.

(Source: moneycontrol.com)

Water conservation and rainwater harvesting

7,99,186

Number of works completed,
FY 2023-24

3,79,010

Number of ongoing works,
FY 2023-24

INR 6,74,197 Lakhs

Expenditure for work completed under MGNREGA,
FY 2023-24**Renovation of traditional water bodies**

1,66,710

Number of works completed,
FY 2023-24

1,07,408

Number of ongoing works,
FY 2023-24

INR 5,98,089 Lakhs

Expenditure for work completed under MGNREGA,
FY 2023-24**Reuse and recharge structures**

5,04,611

Number of works completed

1,47,270

Number of ongoing works,
FY 2023-24

INR 24,760 Lakhs

Expenditure for work completed under MGNREGA,
FY 2023-24**Watershed development**

8,86,154

Number of works completed,
FY 2023-24

5,15,713

Number of ongoing works,
FY 2023-24

INR 1,75,406 Lakhs

Expenditure for work completed under MGNREGA,
FY 2023-24**Total of water related works**

23,56,661

Number of works completed,
FY 2023-24

11,49,401

Number of ongoing works,
FY 2023-24

INR 16,38,193 Lakhs

Expenditure for work completed under MGNREGA,
FY 2023-24**Intensive afforestation**

6,59,09,266

Number of works completed,
FY 2023-24

5,88,919

Number of ongoing works,
FY 2023-24

INR 1,75,150 Lakhs

Expenditure for work completed under MGNREGA,
FY 2023-24

24,24,590

Enumeration of water bodies

(Source: Ministry of Jal Shakti)

Company overview

VA Tech Wabag Limited, a leading global pure-play water technology Company, prioritizes a circular future and focuses on water management. Established in 1924, we lead in designing, engineering, and providing innovative technological services and solutions for municipal and industrial water needs. With extensive R&D and advanced technology, we've executed 6,500+ projects across 25+ countries, benefiting over 88 million people globally. Ranked third largest water private water operator in the world by Global Water Intelligence, UK, we ensure access to clean, safe water and a healthy environment for millions of lives.

The Segment wise performance disaggregated based on geography into 'India' and 'Rest of the World' is provided in the Financial Statements.

Our financial overview

The order book during the FY 2023-24 stood at INR 114,484 Million.

On a Consolidated basis, the Company's total income stood at INR 28,998 Million in FY 2023-24, as compared to INR 30,141 Million in FY 2022-23.

Consolidated Profit after tax for FY 2023-24 stood at INR 2,456 Million as compared to INR 130 Million (after exceptional items) in FY 2022-23.

On a Standalone basis, the Company's total income for FY 2023-24 stood at INR 25,410 Million as compared to INR 23,859 Million in FY 2022-23

Standalone Profit After Tax for FY 2023-24 INR 2,358 Million as compared to INR 12 Million (after exceptional items) in FY 2022-23

The Company reported a Net Cash positive position of INR 2,356 Million and a Free Cash generation of INR 1,683 Million driven by our effective cash management efforts. The interest cost remained under control with the interest coverage ratio at 18.90 in the FY 2023-24 compared to 12.84 in the FY 2022-23 on a standalone basis.

The above financial performance was a result of shift in the strategy from a Engineering, Procurement & Construction (EPC) to Engineering & Procurement (EP) business and divestment of subsidiary companies in the Switzerland and Czech Republic.

The Key metrics of the year under review as per SEBI Regulations were as follows:

Debtors Turnover ratio : 1.17 times

Inventory Turnover ratio: 20.27 times

Interest Coverage ratio: 16.73 times

Current ratio: 1.66 times

Debt Equity ratio: 0.11 times

EBIDTA (Operating Profit Margin) and Net Profit margin stood at 14.3% and 9.4% respectively and return on Net Worth at 17.1% for the FY 2023-24.

The reasons for significant changes can be referred in the notes to the financial statements forming part of this Annual Report.

Risks and Concerns

Your Company faces a spectrum of business risks stemming from both internal operations and external factors. It maintains a robust risk management framework designed to suit the distinct needs of its diverse businesses, taking into account factors such as risk magnitude, nature, and regulatory landscape specific to each business segment or operating unit. This system facilitates early identification and analysis of risks, empowering proactive measures. Senior management conducts regular reviews of the Company's risk management processes to ensure their effectiveness in mitigating risks.

Your Company faces risks stemming from fluctuations in interest rates. Operating primarily in rupees, it is vulnerable to exchange rate fluctuations. The Corporate Assurance Team collaborates with business units to define and oversee specific risk profiles, encompassing strategic, financial, and operational risks.

The Chief Executive Officers (CEOs) of all Clusters closely monitor the overall Risk Management Process viz. Risks and concerns, which includes Project Pre-Bid, Execution, and Close-out Risk Reviews by constantly having dialogues with the Functional Heads. CEOs in turn discuss with the Chairman & Managing Director, the Business Risks and its mitigation plan periodically. Further, the significant risks are presented to the Risk Management and Monitoring Committee of the Board at least two (2) times in a year, which in turn reviews, suggests and recommends to the Audit Committee for its review and further suggestions; Audit Committee finally puts up to the Board for its final consideration. Further, CEOs in their quarterly presentation to the Board, make a detailed presentation on key Projects with major risks, its mitigation plan and Bid & No-Bid analysis.

Our operations across multiple locations enable us to capitalize on the competitive advantages unique to each location, thereby strengthening our competitiveness and mitigating geographic and political risks within our business ventures.

Threats:

We see intense competition in our sectoral services from various competitors across the Globe. We have invested in our R&D initiatives as a result of which more than 125+ IPRs are registered so far. We constantly upgrade the innovative technology solutions as per the changing market scenarios and we will continue to do so to tackle the threats from our business competitors. For details, refer to the Theme section of our Annual Report.

Internal control systems and their adequacy

The Company's internal control systems are effective and robust, ensuring that there is efficient use and protection of resources and compliance with policies, procedures, financial reporting and statutory requirements. Further, Corporate governance is the foundation stone for the Company to achieve probable growth and desired outcomes, and robust internal controls are one of the important pillars of the corporate governance system. The Company ensures integrity in conducting its business, safeguarding its assets, timely preparation of reliable financial information, accuracy & completeness in maintaining accounting records, and prevention & detection of frauds & errors through a set of detailed policies and procedures (the detailed policies are stated elsewhere in this Report).

All the Company's major business processes are well integrated and currently run on IFS. The Internal control systems of the Company are effective and adequate, commensurate with the size and complexities of its operations. These are regularly tested for effectiveness by the statutory as well as the Corporate Assurance Team (Internal auditors). An independent firm carries out the internal audit across the organisation on specific assignments assigned by the Audit Committee of the Board. A well-established internal audit framework is in place which extensively covers all aspects of financial and operational controls, covering all business, locations and functions. The internal auditors review the adequacy, integrity and reliability of control systems and suggest improvements in its effectiveness. The effectiveness of the controls is mapped and scores are given based on control indices. The internal audit team conducts extensive reviews and process improvements identified during the reviews are communicated to the management on an on-going basis. Significant observations made by the internal auditors and the follow-up actions thereon are reported periodically to the Audit Committee of the Board. The Audit Committee monitors the implementation of the audit recommendations.

Human resources

The company considers its dedicated and motivated employees as its greatest asset. It provides competitive compensation, fosters a healthy work environment, and acknowledges employee performances through a structured reward and recognition program. The Company aims to cultivate a workplace where each employee can realize and achieve their full potential. Encouraging individuals to undertake voluntary projects beyond their regular scope of work promotes learning and nurtures creative thinking. As of March 31, 2024, the Company's employee strength stood at 914.

Extra Milers Programme (EMP): This programme intended to identify potential talent among trainees who come through graduate/executive training programme. The objective of this programme is to build junior management level leadership pipeline.

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

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

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

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

Hi-Pot Programme: This programme aims to strengthen the leadership pipeline of our organisation. We have developed a very strong programme in this regard under the Global Talent Architecture framework, wherein we are identifying the Hi-Potential (Hi-Pots) leaders who can take on higher responsibilities and larger roles. Through this, we are covering various aspects of leadership management such as individual development plans, succession planning and their periodic and continuous monitoring through focused mentorship from business leadership and the talent managers within HR.

Research & Development

Your Company possesses more than 125 Intellectual Property Rights (IPRs) and is actively growing its research efforts. WABAG consistently enhances its extensive experience through in-depth R&D activities. This is supported by internal R&D facilities in Europe and India. Collaborations with Universities and Development Partners play a crucial role in WABAG's drive to innovate and offer solutions tailored to the market. Some of our partnerships are with below prestigious institutions across the world:

- Anna University, Chennai, India
- Vienna University of Technology, Austria
- IWW Water Centre, Germany
- EAWAG – Swiss Federal Institute of Aquatic Science and Technology, Switzerland
- Istanbul Technical University, Turkey

As a forward-thinking Company, we consistently strive to develop and implement innovative solutions for the benefit of our Customers. This commitment drives us to engage in extensive research and development (R&D) activities, with our current particular focus on:

- Potable Reuse
- Contaminants of emerging concern (micro pollutants)
- Antibiotic-resistant bacteria and genes
- Deammonification
- Minimum/Zero-Liquid Discharge (MLD/ZLD)
- Ceramic membranes

Some of the major IPRs of the Company are:

CERAMOPUR®, CERAMOZONE®, CARBOPUR®, PACOPUR®, ADOX®, BIOZONE®, BIODEN®, ENR®, iEDR™, MICROPUR®,

CYCLOPUR®, FLUOPUR®, BIOPUR®, MARAPUR®, DAMOPUR®, OPUR®, ENOPUR-AD®, etc.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectations and estimations which may be 'forward-looking statements within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. Your Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the Company. The actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. Your Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements based on any subsequent development.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

Young and 100 Year Strong

SUSTAINABILITY

PASSIOINEERING

INNOVATION

COLLABORATION

PEOPLE

WATER

ENVIRONMENT

100 SUSTAINABLE YEARS

WABAG GROUP. SINCE 1924

Celebrating a Century of Environmental Excellence

WABAG

sustainable solutions. for a better life.

FY 2023-24

Introduction:

Embedded in the very DNA of WABAG lies a century-long legacy of unwavering commitment to excellence and innovation. As we stand on the threshold of our centenary year, this ethos resonates more powerfully than ever before. From our inception, we have strived to redefine the boundaries of possibility in the realm of water and wastewater management. Across every facet of our business – from pioneering water treatment technologies to revolutionary wastewater management solutions – we have remained steadfast in our commitment to environmental sustainability, social responsibility, and economic prosperity. As we celebrate this milestone, we reflect not only on our past achievements but also on the boundless opportunities that lie ahead. Guided by our enduring principles and mantra **"Sustainable Solutions for a Better Life"**, we continue to lead the industry by embracing cutting-edge technologies and sustainable practices, setting new standards of excellence with each endeavor.

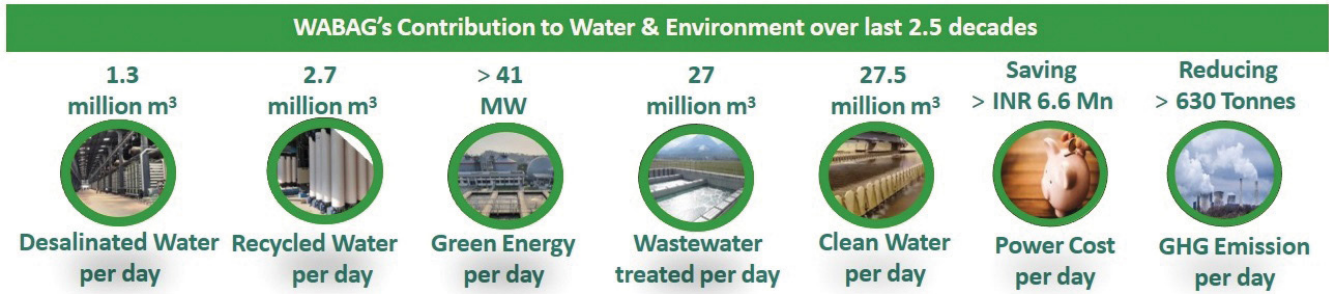
Our efforts are intricately woven into the fabric of Sustainable Development Goal 6, as we work tirelessly to ensure access to clean water and sanitation for all, thereby addressing the critical global need for water security in the form of water conservation, water recycle and reuse etc. As we continue to expand our focus

on manufactured water, we are committed to address the growing demand for alternative water sources, desalination of water and contributing significantly to water sustainability. Additionally, our commitment to Sustainable Development Goal 11 drives us to create sustainable urban environments, where communities thrive in harmony with their surroundings. From desalination plants to sewage treatment facilities, our diverse portfolio stands as a testament to our relentless pursuit of a better, cleaner world for all. As we traverse into our second century, we remain steadfast in our resolve to uphold these principles and to continue spearheading innovations that pave the way for a Cleaner, Greener, Bluer and Better Tomorrow.

"At WABAG, we don't just deliver water, we deliver a sustainable future."

Sustainability is WABAG's Business:

Transcending mere water treatment solutions, WABAG is guided by the vision of "Reshaping the Sector for a Cleaner, Greener, Bluer Tomorrow". We relentlessly pursue innovation, measuring its success by the positive impact it creates. Our commitment goes beyond water delivery - we quantify the tangible results our plants achieve, ensuring a measurable difference for a sustainable future.

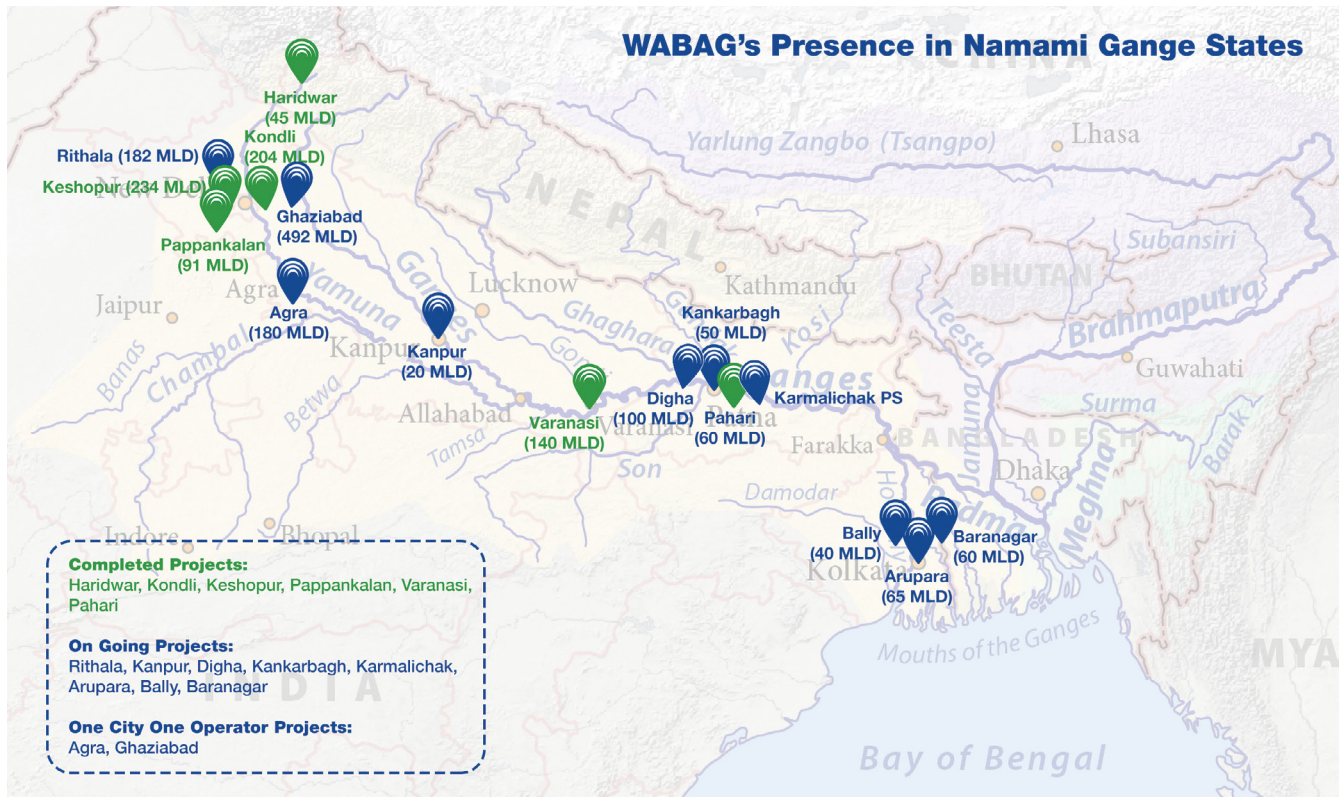


At WABAG, we recognize the interconnectedness of global challenges. Our commitment to sustainability aligns with several key Sustainable Development Goals (SDGs) established by the United Nations:

SDG 6: Clean Water and Sanitation: WABAG is a global leader in pure-play water technology. We offer sustainable solutions across four Continents, addressing global water challenges through desalination, treatment, and a commitment to resource conservation and reuse. From municipalities to industries, WABAG provides a comprehensive approach to water management, ensuring clean drinking water, minimized pollution, and a thriving environment and society. Our innovative treatment solutions

address water scarcity and improve water quality and reliability, promoting healthy life and powering economies worldwide.

WABAG's expertise extends beyond just municipal and industrial water solutions. A prime example is its significant **contribution to India's Namami Gange Programme**, aimed at rejuvenating the holy Ganga River. They're not just delivering water treatment solutions; they're actively shaping the program's success. By designing, constructing, and managing advanced Waste Water Treatment Plants (WWTPs) along the Ganga's path from source to where it submerges into the sea in West Bengal, WABAG is demonstrably reducing untreated wastewater flowing into the river, making a vital contribution to a cleaner and healthier Ganga.



Increasing contribution in cleaning the holy river

SDG 11: Sustainable Cities and Communities: Sustainable water management is crucial for building resilient and inclusive cities. WABAG's solutions contribute to SDG 11 by fostering water security in urban environment, enabling sustainable development and improved living conditions.

WABAG champions SDG 12: Responsible Consumption and Production through a circular approach to water treatment. This approach prioritizes resource efficiency and minimal waste generation throughout our operations and water treatment processes. Here's how we embrace circularity:

- **Closing the loop:** Focus on designing water treatment plants that incorporate water recycling and reuse technologies. This reduces reliance on virgin water sources and minimizes wastewater discharge.
- **Energy Efficiency:** We prioritize resource conservation throughout the water treatment process. Our innovative technologies and design practices minimize energy consumption, reducing our reliance on fossil fuels and lowering our carbon footprint.
- **Nutrient Recovery:** Wastewater treatment facilities traditionally generate nutrient-rich sludge. WABAG goes beyond simply disposing of this sludge. We utilize advanced technologies to recover valuable nutrients like phosphorus, potassium and nitrogen. These recovered nutrients can then be used as fertilizers, creating a closed-loop system and minimizing reliance on virgin resources.

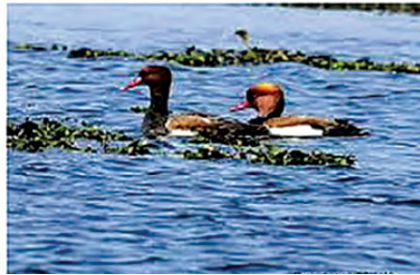
- **Biogas Production and Energy Generation:** Another key aspect of our circular approach is the conversion of wastewater treatment plant byproducts into biogas. Through anaerobic digestion processes, we capture the methane gas produced from organic matter in wastewater. This biogas can then be used to generate electricity and compressed Biogas, powering our treatment facilities and significantly reducing our dependence on the grid. This reduces our operational costs and GHG emissions.

By implementing these circularity principles, WABAG minimizes waste generation, conserves resources, and promotes a more sustainable water treatment cycle. This approach aligns perfectly with SDG 12's vision of responsible consumption and production and paves the way for a circular economy within the water treatment sector.

SDG 13: Climate Action: Climate change poses a significant threat to water security. WABAG actively mitigates its environmental impact by promoting energy-efficient technologies and responsible waste management practices. This focus on climate action aligns with SDG 13, ensuring a sustainable future for all.

WABAG further aligns its business through SDG 14: Life Below Water by reducing water pollution and enhancing biodiversity in the Ganga. Additionally, WABAG's work underlines the importance of **SDG 17: Partnerships for the Goals**.

WABAG's Sustainable Solutions extends beyond their projects, WABAG contributes to **SDG 14 (Life Below Water)** by restoring the Ganga's biodiversity. The solutions provided are evident in the documented return of species like Gangetic dolphins, gharials, muggers, smooth-coated otters, freshwater turtles, and various water-associated birds. This rich biodiversity indicates the positive impact of improved wastewater treatment processes and the release of treated clean water into the river. By reducing pollution levels, these efforts have led to a healthier and more vibrant river ecosystem, demonstrating a clear commitment to SDG 14. Some of the pictures from the Government's National Mission for Clean Ganga Annual report 2022-23 are as below:



Reference: English Annual Report 2022-23.pmd (nmcg.nic.in)

Leading the Way in Sustainable Water Solutions: WABAG is a frontrunner in Environmental, Social, and Governance (ESG) practices, aligning with the rigorous international standards set by prominent financial institutions like the World Bank, IFC and ADB. This unwavering commitment reflects our dedication to sustainable development and positions us as a responsible steward of environmental and social resources.

Rigorous Compliance for Sustainable Outcomes: We adhere to the highest ESG standards, providing a comprehensive framework for managing environmental risks, enhancing social accountability, and safeguarding community well-being. These standards promote sustainable environmental management and conservation. Through a meticulous compliance process, we identify, assess, and mitigate potential environmental and social impacts associated with our projects. This location-specific approach ensures compliance with applicable laws while protecting ecosystems, biodiversity, and communities. We are proactive in developing mitigation plans to address any potential negative impacts.

Commitment in Action: Our dedication to ESG translates into a robust suite of processes and procedures implemented during project execution. These include the Environment, Social, and Governance Management Plan (ESGMP), Risk Management Plan (RMP), Waste Management Plan (WMP), Occupational

Health and Safety Plan (OHSP), and Social Management and Monitoring Plan (SMMoP). Additionally, we have Disaster Management Plans (DMP), Grievance Redressal Mechanisms Plan (GRMP), Stakeholder Engagement Plans (SEMP), Gender Action Plans (GAP), all implemented during projects like the STPs for KMDA/NMCG in Kolkata under the HAM model. These procedures provide clear guidance for our project teams, ensuring environmentally and socially responsible project execution.

Innovation and Sustainability Remain at the Core: Innovation has always been the cornerstone of WABAG's success. We continue to invest in research and development, exploring new technologies and solutions to address the ever-evolving water challenges. This commitment extends to sustainability practices. We constantly focus on sustainability and promote responsible water management across all our projects.

WABAG's innovative solutions contribute to both business success and environmental benefits:

- Recycling and Reuse of Water
- Gas generated from sludge to Energy conversion
- Self-Sustainable Treatment Plants
- Used water to Direct / Indirect Potable Water
- Seawater Desalination

By prioritizing sustainable solutions, we are paving the way for a better future. Our efforts ensure a viable, reliable, affordable and sustainable source of water for future generations. This means developing innovative technologies and practices while guaranteeing access to clean water for all. Some of the initiatives are:

Non-potable Reuse project of WABAG helping industries: Koyambedu TTRO, Chennai, India

TTRO Plant treats municipal secondary treated water in a multi-stage process scheme incorporating the state-of-the-art technologies to achieve drinking water standards. The treated water is sent to a storage tank and further to the pumping stations. Prior to network distribution, the water is disinfected using Ozone for the prevention of microbiological growth. Finally, the water is pumped to the industrial areas in Chennai.

Industrial Reuse project of WABAG: IOCL Paradip ETP, Odisha

The wastewater treatment methods were developed to eliminate the environmental pollutants of wastewaters, tailor-made solution was designed, based on multi-barrier treatment systems, employing advanced technologies. The plant is unique since it offers a comprehensive treatment in the sense that the effluents from various streams are treated exclusively along with landfill leachates, spent caustics, and also treating the reject water. WABAG built an effluent treatment and water reclamation plant which ensure sustainable water recycling and reuse; which provides substantial reductions in pollutant discharges into the sea and simultaneously improves water supply reliability. The waste water is treated and used for industrial purpose.

WABAG has executed two sustainable water reuse projects in Windhoek, Namibia. The world's first Direct Potable Reuse (DPR) plant was completed in 2001 and has been producing 21 MLD of recycled water daily, contributing up to 30% of the drinking water needs of the 400,000 citizens of Windhoek. For the Industrial Park at Ujams in the north of Windhoek, WABAG has developed a 5,000 m³/d industrial wastewater treatment and water reuse plant based on modern MBR technology. It is the city of Windhoek's first BOOT project in the water field, with 21 years of O&M (spanning from 2014 to 2035), and represents an exemplary cooperation in a public-private partnership.

WABAG is at the forefront of innovation, exemplified by our strategic MoU with Peak Sustainability Ventures for installing 100 Bio-CNG Plants in future. This initiative not only will address the growing energy demand sustainably but also reduce greenhouse gas emissions and mitigates air pollution. Furthermore, it will bolster local economies, create jobs, and align with the G20 Summit's Global Biofuel Alliance initiative, enhancing energy security.



140 MLD STP at Dinapur, Uttar Pradesh

Applied AI for Treatment Plants: WABAG has partnered with Pani Energy Inc.'s (Pani) to implement applied AI for treatment plants. The new category of digital technology is called Operational Intelligence (OI) and delivered through their product Pani ZEDTM, in the plant operations. The partnership aims to leverage Pani's platform to optimize on OPEX in the plants by reducing downtime, energy consumption, and chemical usage. Additionally, it will expedite crucial decision-making processes and enhance the longevity of critical equipment. Pani ZEDTM's capability to provide continuous performance analytics, process forecasting, detect operational anomalies, offer actionable insights, and set-point recommendations.

WABAG is strategically focusing on two emerging sectors poised for significant growth: Green hydrogen and semiconductors. In green hydrogen, a nascent but promising field, we leverage our expertise in clean water treatment, a crucial raw material, to become a key partner. The recent chip shortage highlights the importance of semiconductor manufacturing, and WABAG is well-positioned to capitalize on this growth with our proven experience in establishing Ultra-Pure Water plants, vital for chip production. We are confident that WABAG's capabilities will be instrumental in the success of these industries.

WABAG as a pure play water treatment technology player, has launched recently "BLUE SEED", a pioneering initiative designed to foster innovation and support emerging start-ups in the water sector. BLUE SEED envisions to stand as a beacon of innovation in the water sector. Through this program, WABAG will invest in, nurture, and empower promising start-ups with innovative water technology solutions that will shape a secure and sustainable water future. The initiative will identify and invest in early-stage water technology start-ups with high growth potential and will provide comprehensive support and resources to accelerate the success of these Waterpreneurs. It aims to cultivate a thriving ecosystem of Waterpreneurs who will collaboratively contribute to global water security and resilience. WABAG welcomes Waterpreneurs to 'BLUE SEED,' where innovation meets opportunity in the pursuit of a sustainable and dynamic water future.

Investing in Our People

Our success hinges on our unwavering commitment to employee well-being. We foster an environment that promotes personal growth, celebrates diversity, and ensures equal opportunities for all. Through comprehensive training programs and initiatives, we empower our workforce to expand their knowledge and skills, contributing to their professional development and our Company's overall success.

This year, we are thrilled to be recognized as a "**Most Preferred Workplace**". This prestigious award underscores our unwavering commitment to fostering an inclusive, supportive, and rewarding environment for our employees. We believe that investing in our people is not just essential to our success, but also fundamental to our corporate culture.

Developing Future Leaders: We recognize that our employees' passion, expertise, and dedication are the driving forces behind our journey towards a sustainable future. We empower them through comprehensive training programs and opportunities for professional development

WABAG actively contributes to developing the next generation of talent. We participate in government apprenticeship programs like National Apprenticeship Training Scheme (NATS) and National Apprenticeship Promotion Scheme (NAPS), and offer in-house training programs like GET/JET/MT. These initiatives equip young engineers with industry-relevant skills, building capacity for the water treatment sector and contributing to a "Skilled India".

Furthermore, we cultivate future leaders through targeted programs:

- **Leadership Excellence Program:** In collaboration with Great Lakes Institute of Management, we empower middle-level managers to hone their leadership skills.
- **IIM Kozhikode Executive MBA Sponsorship:** We invest in building leadership at the grassroots level by sponsoring the education of six promising engineers.
- **Managerial Development Program (MDP):** This mandatory program equips newly promoted managers with the necessary skills to lead their teams effectively.



Leadership Excellence Program



IIM Kozhikode Executive MBA Sponsorship

NATs / NAPs / LEX	NATS scheme: Supported - 9 Trainees
	NAPS scheme: Supported 112 trainees.
	LEX Program: Sponsored 18 Lexians who successfully completed the LEX 2023 batch with education partner Great Lakes Institute of Management.

We recognize that our employees' passion, expertise, and dedication are the driving forces behind our journey towards a sustainable future. We empower them through Comprehensive training programs and Opportunities for professional development.

Employee health and well-being: All employees up to 40 years of age must undergo a medical check-up every two years, while employees over 40 must have an annual check-up. Additionally, the Company provides super specialty medical consultations at reputed hospitals each year to support employees who need them. To promote healthy lifestyles, the Company offers nutritious food options in its cafeteria, as well as facilities for indoor games and a gymnasium. Regular medical camps are conducted at all sites, and specialists are invited to give lectures on preventing lifestyle diseases. The Company also holds awareness sessions about the health insurance plans it offers. As a special gesture, lifetime health insurance is provided to employees who retire after a minimum number of years with the Company.

The Company has been certified as a "World's Healthy Workplace" by "Arogya World" in recognition of its exemplary commitment to employee health and well-being.



Leading sustainability by Example: WABAG demonstrates its commitment to society through exceptional environmental performance and employee well-being initiatives. Here's how we're leading by example:

- CII-IGBC Certifications for Corporate WABAG House:

"Near Net Zero Energy" consumption at our global headquarters.



"Net Zero Water" certification, showcasing responsible water usage.



"Platinum Green Building" designation, highlighting our commitment to sustainable construction.



WABAG House Champions Sustainability Through Recycling Initiative

Demonstrating our commitment to environmental responsibility, WABAG House has partnered with ITC's nationwide recycling initiative, Wellbeing Out of Waste (**WOW**). Through this collaboration, all the dry recyclable waste generated at WABAG House is diverted for recycling, contributing a significant **8731 kgs** of waste in FY23-24. This recycled waste is then transformed into valuable products like **paperboards**, promoting a circular economy and reducing environmental impact.

- **Promoting Healthy and Safe Work Practices:** We prioritize employee well-being alongside environmental sustainability.
- **Low Carbon Footprint:** We focus on reducing emissions throughout our operations.
- **Sustainable Water & Energy Management:** Our operations prioritize water and energy conservation.

Beyond the Workplace: Our commitment extends beyond our internal environment. We actively collaborate with local communities, governments, and NGOs through our Corporate Social Responsibility initiatives. These initiatives address diverse needs, ranging from water conservation to sanitation, fostering holistic development, particularly in rural India.

Digital Transformation: WABAG embraces digital solutions, leveraging technology to connect and remotely monitor plant performance under operation and maintenance from our global center of excellence.

Award-Winning Sustainability: Our dedication to sustainability has been recognized internationally. Our **Jubail Industrial City project** in **Saudi Arabia** was awarded the prestigious "**Energy Globe Award**" for its innovative wastewater treatment and water reuse facility.



Presentation of **Energy Globe Award** to Mr. Hassan Hussameldeen at the Austrian Business Circle Event presented by the Austrian Economic Delegate in Riyadh, Mr. Christoph Pfeifer, MA.

Looking Ahead: WABAG remains committed to continuous improvement and innovation. Sustainability is an integral part of our business, and we believe that together, we can build a brighter future for generations to come.

SECTION A
GENERAL DISCLOSURES
I. Details of the Listed Entity

1.	Corporate Identity Number (CIN) of the Listed Entity:	L45205TN1995PLC030231
2.	Name of the Listed Entity:	VA TECH WABAG LIMITED
3.	Year of incorporation:	1995
4.	Registered office address:	"Wabag House", No. 17, 200 Feet Thoraipakkam - Pallavaram Main Road, Sunnambu Kolathur, Chennai - 600117, Tamil Nadu, India
5.	Corporate address:	"Wabag House", No. 17, 200 Feet Thoraipakkam - Pallavaram Main Road, Sunnambu Kolathur, Chennai - 600117, Tamil Nadu, India
6.	E-mail:	companysecretary@wabag.in
7.	Telephone:	+ 91 44 6123 2323
8.	Website:	www.wabag.com
9.	Financial year for which reporting is being done:	April 01, 2023 - March 31, 2024
10.	Name of the Stock Exchange(s) where shares are listed:	National Stock Exchange of India Limited and BSE Limited
11.	Paid-up Capital:	INR 12,43,80,856
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Name: Mr. S Varadarajan Designation: Whole Time Director & Chief Growth Officer (DIN : 02353065) Telephone: +91 44 6123 2323 Email ID: varadarajan@wabag.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):	The disclosures under this report are made on a Standalone basis, unless otherwise specified.
14.	Name of assurance provider	N.A.
15.	Type of assurance obtained	N.A.

II. Products / services

16. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Engineering, Procurement and Construction and Operation and Maintenance of water and waste water treatment plants including PPP projects under HAM and BOOT Models. [Group Code: "E"]	a) EPC of Water and Waste water treatment Plants including Desalination, Reuse and recycle of waste water, industrial effluent treatment, Sewage treatment and handling of sludge for production of green power and resource recovery.	85.2%
		b) O&M of above facilities. [Code: "E1", "E2" & "E3" – Instruction Kit for e-Form MGT-7 for filing Annual Return of the Company]	14.8%

17. Products / Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product / Service	NIC Code	% of total Turnover contributed
1	EPC and O&M of Water and Wastewater Treatment Plants including Desalination, Reuse and Recycle of Wastewater, Industrial Effluent Treatment, Sewage Treatment and Sludge Management, production of Green energy	3600 & 3700	100%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	58*	5	63
International	23*	10	33

Note: *It Includes both EPC and O&M sites not owned by Company

19. Markets served by the entity:

- a. Number of locations

Location	Number
National (No. of States)	16
International (No. of Countries)	27

- b. What is the contribution of exports as a percentage of the total turnover of the entity?

40%

- c. A brief on types of customers

In the field of water and wastewater management, your Company has established itself as a prominent global leader and lifecycle partner. Your Company specializes in providing comprehensive solutions, encompassing design, engineering, procurement, construction, commissioning, as well as operation and maintenance services for Water Treatment, Wastewater Treatment, Desalination, Recycle & Reuse, and Sludge Treatment plants.

Your Company serves both Industries and Municipal Utilities across the globe. In Industries, most of the top Oil Refineries in different countries are customers of WABAG including Indian companies like Indian Oil, ONGC, HPCL, Reliance, etc and international companies like Malaysian Petronas, Saudi Aramco, Nigerian Dangote, Russian SIBUR, and Thailand THAI Oil.

In Municipal Utilities, WABAG in India is serving the Municipalities in 16 States. Its overseas municipal clientele includes Government Utilities of Bangladesh, Sri Lanka, Nepal, Thailand, Malaysia, Singapore, Philippines, Oman, UAE, Bahrain, Qatar, Saudi Arabia, Egypt, Libya, Tunisia, Senegal, Vietnam, Austria, and Switzerland, Romania, Germany, Russia, Turkey, Nigeria, Tanzania, Namibia, etc.

IV. Employees

20. Details as at the end of Financial Year:

a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
EMPLOYEES						
1.	Permanent (D)	914	834	91.2%	80	8.8%
2.	Other than Permanent (E)	225	202	89.8%	23	10.2%
3.	Total employees (D + E)	1,139	1,036	91.0%	103	9.0%
Company has a medium term goal of reaching 12% of Female employees from current 9%						
WORKERS						
4.	Permanent (F)	We do not have any factories or production facilities; hence we do not have any workers on our rolls.				
5.	Other than Permanent (G)					
6.	Total workers (F + G)					

b. Differently abled Employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	2	2	100%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D + E)	2	2	100%	0	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	We do not have any factories or production facilities; hence we do not have any workers on our rolls.				
5.	Other than Permanent (G)					
6.	Total differently abled workers (F + G)					

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.67%
Key Management Personnel	6	0	-

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY 2023-24 (Turnover rate in current FY)			FY 2022-23 (Turnover rate in previous FY)			FY 2021-2022 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	24.16%	25.00%	24.24%	26.40%	28.20%	26.50%	24.20%	32.70%	24.90%
Permanent Workers	We do not have any factories or production facilities; hence we do not have any workers on our rolls.								

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding / subsidiary / associate companies / joint ventures

Sl. No.	Name of the holding/ subsidiary / associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
	[Refer Annexure-III to the Board's Report (forming part of the Annual Report) for information on holding / subsidiary / associate companies / joint ventures]			Yes

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

YES

(ii) Turnover : INR 25,097 Million

(iii) Net worth : INR 14,962 Million

The highlights of the Company's CSR interventions are reported in the Annual Report on CSR Activities [Refer **Annexure-IV** to the Board's Report (forming part of the Annual Report)].

VII. Transparency and Disclosures Compliances

25. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Your Company's Code of Conduct is a comprehensive document for ethical conduct for all internal and external stakeholders of the Company, thus, covering 100% of its operations. There are defined channels for receiving complaints / grievances from all the stakeholders and these are addressed promptly upholding the highest ethical standards. Further the stakeholders of your Company include its investors, clients, employees, vendors / partners, governments, and the community. A strong whistleblower policy is available to all the stakeholders of your Company, which has been uploaded in the Company's website at Whistle-Blower-Policy.pdf (www.wabag.com)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	Yes Policy-on-Grievance-Redressal.pdf (www.wabag.com)	31	0	-	0	0	-
Investors (other than shareholders)		0	0	-	0	0	-
Shareholders		0	0	-	2	0	Complaints received towards demat of shares and Non receipt of AR
Employees and workers		65	0	-	1	0	Compliant is closed
Customers		0	0	-	0	0	-
Value Chain Partners		0	0	-	0	0	-
Other (please specify)		0	0	-	0	0	-

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Climate Change	O	To be replaced with: Climate change, while posing challenges, offers opportunities for water utilities. Rising demand for reliable water management, the need for resilient infrastructure, advancements in desalination and reuse technologies, and access to climate-related funding can all be leveraged by utilities to become more innovative, efficient, and leaders in sustainability	N.A	Positive
2	Renewable energy	O	WABAG recognizes renewable energy as a critical opportunity to achieve environmental and economic sustainability. WABAG is exploring the integration of biogas technology, a renewable source derived from organic waste, to potentially power the treatment facilities. This forward-thinking approach demonstrates WABAG's leadership in adopting renewable energy solutions, ultimately contributing to a more sustainable water management future. WABAG designs its plants for its customers with economically designed objectives; and with its technologies, WABAG ensures its capex and lifecycle costs are optimized.	-	Positive
3	Resource availability	O	Water, the most vital natural resource for the mankind in the world is becoming more scarce day by day under the huge population pressure and ruthless exploitation. WABAG contributes significantly to resource recovery and manufacturing fresh water from used water and sea water (by desalination) through advanced technology to bring water security to this world. Timely availability of resource namely manpower, machinery and material / equipment are key for project progress. WABAG actively contributes to developing the next generation of talent and participate in government apprenticeship programs like National Apprenticeship Training Scheme (NATS) and National Apprenticeship Promotion Scheme (NAPS), and offer in-house training programs like GET/JET/MT.		Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4	Timely Execution	R/O	Achieving "timely execution" requires meticulous project planning, realistic scheduling, effective resource allocation, and proactive monitoring of progress. It also involves anticipating and mitigating potential delays through contingency planning and agile management practices. WABAG follows all these processes.	Delay analysis is being conducted, catch up plan, enhancement of resources where required, innovative solution to bottlenecks and periodic review on action taken are being done by the Company. Company uses mechanised construction and AI for construction related challenges. Company operates under multiple shift to address the delays due to external factors.	Negative/ Positive
5	Health & safety	R/O	The nature of business of the Company is such that the employees face safety risks on operation sites (either EPC or O&M) whether its dealing with water treatment chemicals or installation of water facilities. Hence we at the Company have positioned occupational health and safety and quality as a top priority with zero tolerance in operating the business of the Company. Therefore, Health and safety of the employees of the Company when taken care properly at work place, leads to productivity enhancement.	Company prioritizes a safe and healthy work environment with a comprehensive risk management program. This includes empowering everyone to stop unsafe activities, conducting regular medical checkups providing Health and safety training sessions (including Tool box Talks, work permit system, do's and don'ts etc) implementing multi-level safety programs with continuous improvement reviews, and a policy with rewards for safe acts and consequences for unsafe ones.	Negative/ Positive
6	Quality Control (QC)	R/O	At Company, meeting (and exceeding) committed water quality standards is crucial. Effective quality control in our processes, engineering, construction, supplies, installation, commissioning and O&M, safeguards our brand, ensures project timelines, and fosters long-term economic benefits.	Company reinforces quality control through a multi-step approach: using standardized checklists with scoring, assigning inspectors based on verified skills and a competency matrix, and gathering annual customer satisfaction feedback (on a 10-point scale) to continuously improve.	Negative/ Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Innovation and Digitization	O	Company prioritizes continuous improvement and competitiveness. We actively embrace digitization, implementing AI-powered Operational Intelligence (OI) platforms to optimize plant operations. This translates to higher productivity, lower operational costs, and improved decision-making – all factors that contribute to our success in a competitive market and we are able to deliver quality in resulting repetitive work getting done through AI based rather than depending on super skilled work force. Additionally, our legacy of innovation through value engineering during project execution strengthens bids and enhances winning chances. WABAG has dedicated R&D centres located in Europe & India, and also collaborates with leading technical institutes across the globe, which has enabled WABAG to develop an impressive portfolio of over 125 Intellectual Property (IP) rights.	-	Positive
8	Training, education and development	O	In a rapidly evolving water treatment industry, WABAG recognizes the critical role of training, education, and development (TED) for its workforce. We invest heavily in TED programs to ensure our employees possess the skills and knowledge necessary to operate at the cutting edge of technology. This not only fosters a culture of continuous learning but also equips our team to deliver the best possible solutions for our clients, strengthening our competitive edge and ensuring long-term success.	-	Positive
9	Corporate Governance	O	Company prioritizes strong corporate governance as a material issue. WABAG's Board comprises of two Executive Directors and four Independent Directions (including one Non Executive Non Independent Director (ID)) and all the Board Committees are chaired by the IDs. We recognize that adherence to the highest ethical standards and robust compliance practices are essential for building trust with investors and other stakeholders. Effective corporate governance fosters transparency and accountability, leading to a positive brand image that attracts long-term investment and strengthens our position in the market.	-	Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
10	Ethics and integrity	O	Company prioritizes ethics and integrity, recognizing a strong value system builds a powerful brand image. Our comprehensive framework includes a Code of Conduct outlining core ethical principles, specialized codes for anti-bribery and fair disclosure, and a whistleblower policy to empower employees to report misconduct. By upholding these standards, WABAG fosters trust and strengthens its reputation for long-term success.		Positive
11	Intellectual Property	R / O	Company recognizes the critical role of intellectual property (IP) in maintaining its competitive edge. Our innovations are protected through patents, trademarks, and proprietary know-how. However, leakage of confidential information and potential IP infringement by competitors pose significant risks. To mitigate these, WABAG implements robust data security measures, employee training, and actively monitors for infringement, ensuring our innovations continue to drive our success.	Company prioritizes safeguarding its intellectual property through a multi-layered approach. We cultivate a culture of IP awareness through workshops and training, collaborate with patent attorneys for filing and portfolio management, and enforce strict data security measures during vendor/customer data exchange. Additionally, all confidential information exchanges are bound by Non-Disclosure Agreements (NDAs), while contracts with partners, vendors, and even employee agreements include ironclad confidentiality clauses to ensure our innovations remain a secure foundation for our success.	Negative / Positive

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12	Community engagement	O	Recognizing the link between our success and community well-being, WABAG prioritizes community engagement. We actively engage through meetings, social media, and surveys to understand needs and tailor our CSR programs. Focusing on institution building and utilizing technology for sustainable water management, WABAG fosters local ownership through participatory programs and village committees. By strategically targeting projects near operational sites and providing local employment opportunities, WABAG invests in communities for shared success.	-	Positive
13	Sustainable Supply Chain	R/O	Company prioritizes a sustainable supply chain, recognizing the growing consumer demand for ethical and environmentally conscious products. This approach mitigates risks like market share loss, reputational damage, and legal issues associated with unsustainable sourcing. Conversely, it strengthens our brand image, fosters cost savings, and positions WABAG as a leader in the sustainable water treatment sector.	To ensure a sustainable supply chain, WABAG enforces a comprehensive Vendor Code of Conduct outlining expectations for labor practices, human rights, environmental impact, and business ethics. We go beyond compliance, actively collaborating with vendors through assessments, capacity building programs, and open communication to improve their sustainability performance. This collaborative approach fosters a network of responsible suppliers, mitigating risks and positioning WABAG as a leader in sustainable water treatment solutions.	Negative/ Positive

SECTION B MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements:

Principles of BRSR:

P-1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

P-2: Businesses should provide goods and services in a manner that is sustainable and safe

P-3: Businesses should respect and promote the well-being of all employees, including those in their value chains

P-4: Businesses should respect the interests of and be responsive to all its stakeholders

P-5: Businesses should respect and promote human rights

P-6: Businesses should respect and make efforts to protect and restore the environment

P-7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

P-8: Businesses should promote inclusive growth and equitable development

P-9: Businesses should engage with and provide value to their consumers in a responsible manner

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9
Policy and management processes										
1	a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
	c. Web Link of the Policies, if available	https://www.wabag.com/compliances/ [1. Whistle Blower Policy; 2. Code of Conduct for Board Members and senior management personnel of your Company; 3. Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions; 4. Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information & Policy for identifying Legitimate Purpose; 5. Policy on determining Material Subsidiaries; 6. Policy for determination of Materiality for disclosure of Events or Information; 7. Policy on preservation & archival of documents; 8. Dividend Distribution Policy; 9. Nomination, Evaluation & Remuneration Policy; 10. Risk Management Policy; 11. Corporate Social Responsibility Policy; 12. Sustainability Policy; 13. Policy on Cyber Security Data Privacy; 14. Equal Opportunity Policy; 15. Policy on Business Responsibility and Sustainability Report; 16. Policy on Grievance Redressal; 17. Policy on Preferential Procurement; 18. Policy on Human Rights] 19. Prevention of Sexual Harassment (POSH) Policy; 20. Code of conduct for Prevention of Insider Trading; 21. Policy on Anti-Bribery & Anti-Corruption; and 22. Policy on Conflict of Interest]								
2	Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Do the enlisted policies extend to your value chain partners? (Yes/ No)	Y	Y	Y	Y	Y	Y	Y	Y	Y

Disclosure Questions		P1	P2	P3	P4	P5	P6	P7	P8	P9								
4	Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, and Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	The Company is committed to provide innovative and sustainable water technology solutions to its customers. To ensure completion of its projects ensuring the highest quality, the Company offers structural safeguards through the implementation of its Integrated management system, which conforms to international standards ISO 9001:2015.HSE System is well established for international standards like ISO 14001:2015 for Environmental management system and ISO 45001:2018 for Occupational Health and safety Management system. The well-developed procedures ensure utmost client satisfaction culminating into state of the art water treatment solutions.																
5	Specific commitments, goals and targets set by the entity with defined timelines, if any.	Company is committed to providing its customers with energy efficient products and aspires to become water positive.																
6	Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Performance of each of the principles is reviewed periodically by various Committees led by the Management and Board of Directors.																
Governance, leadership and oversight																		
7	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements	WABAG has been committed to environmental and Social well-being since its inception, prioritizing ESG long before it became a mainstream concept.																
8	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. S Varadarajan, Whole Time Director and Chief Growth Officer.																
9	Does the entity have a specified Committee of the Board / Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes, the Sustainability Committee of the Board is responsible for sustainability related issues.																
10	Details of Review of NGRBCs by the Company:	Periodic reviews are conducted by the Company internally, however specific issues on NGRBCs are also addressed on a need to need basis.																
Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee									Frequency [Annually (A) / Half-yearly (HY) / Quarterly (Q) / Any other – please specify]								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Yes, by the Whole Time Director									A	A	A	A	A	A	A	A	A
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Yes, by the Whole Time Director									A	A	Q	H	A	Q	A	A	A

11	Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes / No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
		Yes, independent assessment / evaluation is carried out in major EPC and O&M plants for Principle 3 and 6 by M/s BVCI, M/s Deloitte, M/s SGS.								
12	If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:									
	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
	The entity does not consider the Principles material to its business (Yes/No)	Not Applicable since the policies of the Company covers all Principles on NGRBCs.								
	The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
	The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
	It is planned to be done in the next financial year (Yes/No)									
	Any other reason (please specify)									

SECTION C PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

PRINCIPLE

1

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

Essential Indicators

1. Percentage coverage by training and awareness programs on any of the Principles during the financial year:

Segment	Total number of training and awareness programs held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programs
Board of Directors	During the FY 2023-24, Updates / awareness presentations were made to the Board members during the quarterly meeting pertaining to business, regulatory, safety, ESG matters, etc. These matters provided insights on the said Principles.		100%
Key Managerial Personnel	9	WABAG Code of Conduct	100%
Employees other than BoD & KMPs	10	DNA of WABAG	100%
Workers	The Company does not have any factories or production facilities; hence it does not have any workers on its rolls.		



Training on the BRSR Principles

2. Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as disclosed on the entity's website):

The Company had no monetary and non-monetary fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators / law enforcement agencies / judicial institutions, in the financial year 2023-24 based on materiality thresholds.

Monetary					
	NGRBC Principle	Name of the Regulatory / enforcement agencies / judicial institutions	Amount (in INR)	Brief of the Case	Has the appeal been preferred? (Yes / No)
Penalty / Fine	-	-	NA	-	-
Settlement	-	-	NA	-	-
Compounding Fee	-	-	NA	-	-
Non-Monetary					
	NGRBC Principle	Name of the Regulatory / enforcement agencies / judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes / No)	
Imprisonment	-	-	-	-	-
Punishment	-	-	-	-	-

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed:

Case Details	Name of the Regulatory / enforcement agencies / judicial institutions
Not Applicable.	

4 Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes. the Company has laid down a detailed policy on Anti-Bribery and Anti-Corruption (which is available in the Company's intranet portal and also in the website of the Company (<https://www.wabag.com/compliances/>) that supports the principles in relation to business ethics and anti-corruption. The Company requires all its employees to comply fully with all applicable laws and regulations in the territories where the Company conducts business, and to adhere to high standards of ethical conduct. The Company's Code of Conduct, which is available in Company's intranet portal, applies both to suppliers and business partners of the Company. Also depending on specific contracts any incremental requirement of Anti-bribery / Anti-corruption compliance need is also addressed.

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

No Directors / KMPs / employees / workers were involved in bribery / corruption both in FY 2023-24 and FY 2022-23. On above grounds, no action was taken by any law enforcement agency.

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6 Details of complaints with regard to conflict of interest:

No complaints were received with regard to conflict of interest against Directors / KMPs in FY 2023-24 and FY 2022-23.

	FY 2023-24 (Current Financial Year)		FY 2022-23 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Nil

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods / services procured) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Number of days of accounts payables (current trade payables)	168	178

9. Openness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

Parameter	Metrics	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	N.A	N.A
	b. Number of trading houses where purchases are made from	N.A	N.A
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	N.A	N.A
Concentration of Sales	a. Sales to dealers / distributors as % of total sales	N.A	N.A
	b. Number of dealers / distributors to whom sales are made	N.A	N.A
	c. Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	N.A	N.A
Share of RPTs in	a. Purchases (Purchases with related parties / Total Purchases)	3%	6%
	b. Sales (Sales to related parties / Total Sales)	11%	15%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	Nil	Nil
	d. Investments (Investments in related parties / Total Investments made)	100%	100%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
13,348	HSE related, ESG related, risk assessment related, ESMP Performance related, Legal related, general ethics, Code of conduct, Operation Related, Company policies and Procedures, labor laws, stakeholder engagement Training including Tool box Talks.	Currently, not available

2. Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes, the Company has the following policies in place to avoid / manage the conflict of interest involving members of the Board:

1. Policy on Anti-Bribery and Anti-Corruption;
2. Code of Conduct for Board Members and Senior Management Personnel;
3. Code of conduct for prevention of Insider Trading;
4. Code of Practices and Procedures for disclosure of Unpublished Price Sensitive Information;
5. Whistle Blower Policy;
6. Policy for Materiality of Event;
7. Policy on Related Party Transaction.

PRINCIPLE 2

Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. **Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively:**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	100%	100%	The R&D expenditures were spent in specific technologies (e.g. in a zero liquid discharge technology, Ceramic membranes) to improve the environment.
Capex	100%	100%	WABAG is in the business of pollution abatements. Its investments / capital expenditure are related to this business.

2. a. **Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

Yes

- b. **If yes, what percentage of inputs were sourced sustainably?**

We have a holistic approach for supply chain partners in the supplier selection, Supplier evaluation and supplier audit plan. We have Integrated Management System (IMS) and sustainable procurement policy in place. Going forward, we plan to track the sustainable sourcing for analysis and improvement. However, in WABAG, all Value Chain Partners are evaluated for WABAG's HSEQ parameters before their on boarding and it has 70% coverage.

3. **Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste; and (d) other waste.**

Company does not reclaim the products for reusing, recycling and disposing at the end of life of the products. However, Projects and operational facilities are implemented with ESHS Systems and Procedures in place. We have specific operational control procedures to handle hazardous and non-hazardous waste which will mandatorily fulfill the requirements of environmental law and regulations and contractual requirements.

4. **Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

EPR is not applicable as the major business of the Company is EPC, O&M and the Company does not manufacture any products used in construction of its plants.

Leadership Indicators

1. **Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No) If yes, provide the web-link
NA					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
	NA	

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
	NA	

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format: Not applicable

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Re-used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-waste	-	-	-	-	-	-
Hazardous waste	-	-	-	-	-	-
Other waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not Applicable

PRINCIPLE
3

Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

- 1 a. Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Employees											
Male	834	834	100%	834	100%	-	-	-	-	-	-
Female	80	80	100%	80	100%	80	100%	-	-	-	-
Total	914	914	100%	914	100%	80	8.7%	-	-	-	-
Other than Permanent employees											
Male	202	202	100%	202	100%	-	-	-	-	-	-
Female	23	23	100%	23	100%	23	100%	-	-	-	-
Total	225	225	100%	225	100%	23	10.2%	-	-	-	-

Details of measures for the well-being of employees:

WABAG is committed to helping its employees to improve their health and wellbeing. WABAG's employee wellbeing is focused on three (3) broad areas - Health, Wellness and Safety. It becomes a business imperative with measurable improvement including the health and wellbeing status of our employees. Our benefits and wellbeing program is a comprehensive and integrated approach to wellbeing based on employee needs. It goes beyond physical health to include emotional and financial health and safety. It provides a broad array of resources to help employees create healthy habits by changing behaviors one step at a time.

Workspace: Apart from adequate lighting, air, water facility, smoke free office WABAG Provide adequate and ergonomic workspace to its employees in its office. Also WABAG discourages use of any chemicals in the office space and promotes eco-friendly products.

Physical Activity - WABAG encourages its employees for the regular physical activity in the interest of their health. WABAG makes it easier to integrate fitness into a daily routine. WABAG has state of the art Gym facility and Games facility in its office which help its employees to utilize it. WABAG conducts annual championship for various games amongst its employees to promote health and fun at work place.

Balanced Weight - WABAG provides resources to help employees to better understand nutrition and achieve a healthy weight. The food provided by the Company in the office cafeteria will not only meet the prescribed health standards but also brings options of healthier foods.

Mental Wellness - WABAG offers education, tools and services to help its employees to enhance their emotional and mental wellbeing. WABAG offers a state of the art Library with books covering a range of topics like technical, professional, business, management, etc. WABAG also has wide range of Print dailies, monthly newsletters and magazines to keep the staffs abreast of state of affairs. Regular training program are conducted. Company offers special programs for meditation for employees and also provides specialist physician consultation where required in the interest of mental wellness of our employees.

Employee champions - Champions are employee volunteers who support, motivate, educate and inspire their colleagues to live healthier, more enriched lives. We're particularly proud of our employees' commitment to helping one another and the success of this volunteer program across our Company.

Internal Trainers or WABAG Gurus - We are leveraging the subject matter experts' experience in the Niche industry like us and make them share their knowledge among WABAGites in a forum called 'Enrich' in every week. We identify the internal trainers and call them WABAG Gurus. Most of our technical training needs are met by our internal trainers. All the trainers will be sharing their knowledge pertaining to their domain and function.

Mentor Mentee Programme - As part of the Talent development initiatives, we have Mentor- Mentee programme in WABAG. All the talents are assigned with a Mentor within the organization. With regard to GETs for smoother transition of the campus to corporate culture, each of the trainees is assigned a Mentor preferably from the same discipline. The purpose of this is to provide Mentees with necessary inputs in handling work criticalities, making choices on departments and to track progress of their learning syllabus. Each trainee of different discipline has been entrusted with a set of learning syllabus. These Mentor Mentees ought to meet every fortnight to review the Mentee's learnings at the workplace. When there is a lag in the learnability at the incumbent role, the Mentor will be able to guide the Mentee to take up a job rotation inside the organization for betterment. On frequent intervals, the feedback will be collected from both "Mentors on Mentees" and "Mentees on their respective Mentors". In case of any grievances, HR would reallocate a new Mentor.

b. Details of measures for the well-being of workers:

Category	% of employees covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	The Company does not have any factories or production facilities; hence it does not have any workers on its rolls.										
Female											
Total											
Other than Permanent Workers											
Male	The Company does not have any factories or production facilities; hence it does not have any workers on its rolls.										
Female											
Total											

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the Company.	0.12%	0.10%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year:

Benefits	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	The Company does not have any factories or production facilities; hence it does not have any workers on its rolls.	Y	100%	The Company does not have any factories or production facilities; hence it does not have any workers on its rolls.	Y
Gratuity	100%		Y	100%		Y
Superannuation	100%		Y	100%		Y
Insurance Coverage	100%		Y	100%		Y
ESI	All employees' remuneration is more than the ESI ceiling wages		N.A	All employees' remuneration is more than the ESI ceiling wages		N.A

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

WABAG believes in addressing the need of differently abled employees in its offices / facilities. WABAG's Equal opportunity policy covers provision of rights of person with disabilities. The Company's headquarter is situated in Chennai (WABAG House, Head office) and we have duly provided for easy entrance at ground floor till top floor through lifts without any steps. We have also provided separate washrooms for disabled employees in each floor (total nine floors).



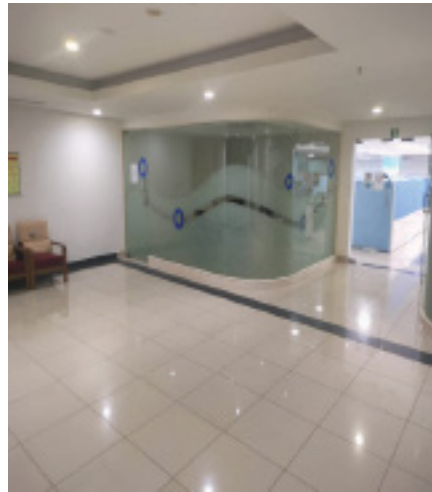
Differently abled friendly Pathway



Differently abled Friendly Reception and Lift



Differently abled friendly Lift Lobby



Differently abled friendly workplace



Differently abled friendly rest room

4. Does the entity have all opportunity as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Yes. Web-link is Equal-Opportunity-Policy.pdf (www.wabag.com)

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA	NA	The Company does not have any factories or production facilities; hence it does not have any workers on its rolls.	
Female	0 out of 1	0%		
Total	0 out of 1	0%		

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes / No (If yes, then give details of the mechanism in brief)
Permanent Workers	The Company does not have any factories or production facilities; hence it does not have any workers on its rolls.
Other than Permanent Workers	
Permanent Employees	Yes. HR Grievance Portal is available to Employees for Grievance redressal. Access is also available to employees to communicate directly to management through the intranet portal where employees can have named basis or anonymous basis provide feedback/ express grievance. Such grievances are immediately addressed. In all our facilities, we implemented grievance redressal procedure to capture the grievance from workers, vendors, communities and other stakeholders. The action against the grievances are taken in the immediate basis, communicated to the concern person and getting confirmation from them.
Other than Permanent Employees	

7. Membership of employees and workers in association(s) or Unions recognized by the listed entity:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective category (C)	No. of employees / workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	914	0	0%	847	0	0%
- Male	834	0	0%	774	0	0%
- Female	80	0	0%	73	0	0%
Total Permanent Workers	The Company does not have any factories or production facilities; hence it does not have any workers on its rolls.					
- Male						
- Female						

8. Details of training given to employees and workers:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	On Health and safety measures		On skill upgradation		Total (D)	On Health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F / D)
Employees										
Male	1,036	1,036	100%	864	83.39%	962	962	100%	591	61%
Female	103	103	100%	92	89.32%	92	92	100%	81	88%
Total	1,139	1,139	100%	956	83.93%	1,054	1,054	100%	672	64%
Workers										
Male	The Company does not have any factories or production facilities; hence it does not have any workers on its rolls.									
Female										
Total										

9. Details of performance and career development reviews of employees and worker:

Employees: The Company has a robust Performance Management System (PMS) through setting off balanced score card based KRA's which encompasses development of career related review and discussion between the employee and supervisor(s). The Company provides for multiple reviews on performance of employees for corrective action during the course of the year as part of PMS which includes identification of learning and development needs of employees on the job and off the job. The Company has various leadership development programmes starting from identifying leadership talent among fresh graduates from the college to senior employees who take up management positions. The Company provides regular enrich programmes for knowledge upskilling and updation. These programmes are conducted online with global reach to its employees. The Company also conducts technical training programmes to the facilities, where the Company is engaged in operation and maintenance of plants so that the facilities employees are benefitted in upskilling themselves. The Company also emphasizes on behavioral programmes and also trains the key staff on their top 5 strengths identified through specific HR tools. The Company also has the comprehensive mentorship program for its employees. The Company has started WABAG Academy for training on project management, construction management, engineering management and marketing management.

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No (D)	% (D/C)
Employees						
Male	1,036	909	88%	962	796	83%
Female	103	88	85%	92	76	83%
Total	1,139	997	87%	1,054	872	83%
Workers						
Male	The Company does not have any factories or production facilities; hence it does not have any workers on its rolls.					
Female						
Total						

10 Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes, the Company has ISO 14001:2015 & ISO 45001: 2018 certification. Occupational health and safety management system was well established in the Company to minimize occupational health and safety hazards at work place there by reducing the occurrence of work related injuries, illness and incidents. The coverage of this system encompasses comprehensive measures, including technological innovation, training programs, procedural enhancements, and benchmarking. This holistic approach ensures an incident-free environment, contributing to the well-being and safety of all the stakeholders of the Company. WABAG's commitment to occupational health and safety is evidenced by its achievement of ISO 45001:2018 certification, affirming the effectiveness of the HSE system. WABAG's dedication extends beyond general occupational safety to address the specific challenges and requirements associated with water treatment operations, reinforcing its pledge to maintain a secure and incident-free environment for all activities. We have operational control procedure for all activities involved in EPC and O&M sites like work permit system, job safety analysis, Hazard risk identification and risk assessment, emergency preparedness and response, handling of chemicals and spill control, lock out and tag out systems, capturing of near misses, unsafe act and unsafe conditions, incident reporting, investigation, corrections and horizontal deployment. We have been continuously communicating safety alerts to all the EPC and O&M sites for the awareness and implementation of the same. Periodic review meetings with the site teams related with the resource requirement, welfare related and opportunities also are conducted to improve the safe culture in the work activities.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company follows various processes to identify work-related hazards and assess risks on a routine and non-routine basis as detailed stated below:

1. Hazard Identification and Risk Assessment (HIRA)
2. Job Safety Analysis (JSA)
3. Safety Audits and Inspections
4. Incident and near-miss reporting
5. Objectives and targets (OHS & ES) planning
6. Design, Construction, Engineering Operation control planning
7. Communication, consultation, & participation
8. Incident investigation, reporting, Corrective Action and horizontal deployment
9. Contractor safety management
10. Change management system
11. Performance monitoring and review
12. Training and awareness
13. Hazard and Operability (HAZOP)

The Company has HIRA practices based on the activities, products and service, ensuring that major hazards were identified and risks were assessed. At the start of each project, WABAG prepares the HIRA document as part of its routine and non-routine basis. WABAG implements Job Safety Analysis (JSA) for all activities, ensuring that risks associated with the activities are identified prior to initiating the job. The incident and near-miss reporting system that WABAG adheres to support continuous improvement to identify work-related hazards and assess risks which in turn will reduce the incidents significantly. The past history records related to HSE performance have been taken into consideration for identifying hazards/ risks in work-related areas, whereby risks have been mitigated, and a safe work environment has been provided, contributing to the improvement of OHS performance in the organization. With its Change Management System, WABAG will identify and review the hazard which can be minimized (or) eliminated. Regular monitoring of OHS implementation will enhance the safety culture of the organization. The monthly review system is followed for all the site regarding the safety activities and performance. The details of the same are being presented by the CEO to the Board on quarterly basis.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. We have several systems to report / communicate work-related hazards as mentioned below:

- consultation and participation system;
- interested party feedback system as per ISO14001 and ISO 45001;
- Grievance redressal Mechanism system;
- Safety committee meeting system;
- Near-Miss / Unsafe observation /unsafe condition reporting system.

We have a well-established HIRA / Job Safety Analysis (JSA) system implemented in site activities. With this system, hazards are identified prior to the job, ensuring the safety of the workers. Additionally, we have an effective near-miss reporting system. The Board of Directors of the Company gets updated by the CEO on quarterly basis w.r.t. work related hazards.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes, the Company provides medical insurance for all its employees to support them in facing medical challenges. Apart from that, the Company conducts health checkups for the employees aged 40 and above every year, while those under 40 undergo medical checkups once in every two years. In addition to the above-mentioned activities, several specialty health centers are provided for the employees from reputed hospitals. The Company also provides such health insurance covers to employees who have served the Company for 10 years or more even after their superannuation for both self and spouse as a special gesture considering the real need of health covers against hospitalization at older age.

As regards Workers, the Company does not have any factories or production facilities; hence it does not have any workers on its rolls.

The Company conducts health workshops/lectures through specialists for its employees periodically on life style diseases and steps for prevention & care. This benefits employees personally to take care of their health in general.

11. Details of safety related incidents, in the following format:

The Company has cultivated a robust safety culture that places the utmost importance on the well-being of all its stakeholders. The employees actively engage in safety committees, attend regular safety meetings, and provide valuable feedback to reinforce this culture. Comprehensive training programs equip the employees with the necessary knowledge and skills to execute their duties safely. Both the employees and contractors are held accountable for adhering to stringent safety policies and procedures. Regular reviews and enhancements of safety protocols, informed by feedback, incident investigations, and industry benchmarks, underscore the Company's commitment to continuous improvement. Through diligent safety audits and inspections, potential areas for enhancement are identified, ensuring ongoing refinement of safety practices.

Safety Incident / Number	Category*	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.17	0.33
Total recordable work-related injuries	Employees	0	0
	Workers	1	6

Safety Incident / Number	Category*	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

Safety plays a paramount role in WABAG's business. In the workplace, we ensure safety through various systems and procedures across all our EPC and O&M sites. We conduct safety induction training for all individuals entering the site premises. The implementation of the JSA system provides knowledge about potential risks and ways to mitigate them. Our Hazard Identification and Risk Assessment (HIRA) process helps identify and assess hazards and risks in our activities.

We have an effective Work Permit system in place, ensuring that supervisors are informed of work activities, and necessary safety measures are taken into account before commencing the job. Prior to initiating any job, we conduct Tool Box Talks, briefing on the activities to be carried out and describing possible risks, along with ways to overcome them.

To provide a healthy workplace, we ensure clean and hygienic water, accommodation, and rest shelters. To enhance the health of the workplace, we offer necessary beverages during the summer and adjust work hours to mitigate heat stress.

We believe in recognizing and rewarding those who demonstrate exemplary commitment to safety. Through our awards and recognition programs, we celebrate individuals and teams who go above and beyond to uphold our safety standards. By shining a spotlight on their dedication, we not only acknowledge their contributions but also inspire others to emulate their behavior. Company tracks millions of safe manhours of work without any LTI and publishes and recognizes in town hall or Management Review meetings.

We have established a robust consequence management system aimed at promoting accountability and continuous improvement. This system address safety violation and also emphasizes the importance of adherence to safety protocols for the well-being of our team members.

13. Number of Complaints on the following made by employees and workers:

WABAG has established a defined grievance redressal mechanism for its employees. Individuals facing any discomfort in working conditions, health, and safety are provided access to register grievances through the portal using their login credentials. The HR team addresses the raised grievances, ensuring resolution, and feedback is provided to the concerned member. For the site team, safety officers serve as the grievance mechanism executives. Site team members have access to register their complaints in the grievance register, which are then directly addressed by the Project Manager for resolution. With an effective grievance redressal system, we ensure a safe and secure workplace.

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Working Conditions	33	0	-	3	0	-
Health & Safety	9	0	-	2	0	-

14 Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%. The Company has robust Internal audit process in line with ISO 45001:2018 requirement and it covers all EPC and O&M plants. Frequent audit to facilities and plants are being conducted by the Company. We have self-assessment on monthly basis and gap is closed by corrective and preventive action (CAPA) process and multidisciplinary approach for conducting HSE audit. The Company also conducts third party audits on health and safety at facilities and take necessary corrective actions. We conducted an external audit for both our office and the site as part of IMS surveillance. Additionally, to showcase our commitment to Environmental, Health, and Safety (EHS) excellence, we participated in the CII EHS Excellence Award as well as the World Safety Organization. As a result of our efforts, we received various awards for our outstanding performance in safety and our focus on environmental sustainability, including water and waste management.
Working conditions	

15 Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

The Company has implemented a Standard Operating Procedure (SOP) for incident reporting, investigation, and correction. This SOP outlines the process for identifying, reporting, recording, and investigating incidents to determine their root causes. Once the root causes are identified, corrective actions are taken to prevent recurrence of similar incidents in the future.

Additionally, the incidents are circulated across all sites for knowledge sharing and continual improvement processes. Specific training is provided to address the improvement actions identified through the incident investigation process. This ensures that the employees are equipped with the necessary skills and knowledge to prevent similar incidents from occurring in the future, thereby enhancing overall safety and operational efficiency. We have established a robust consequence management system aimed at promoting accountability and continuous improvement. This system address safety violation and also emphasizes the importance of adherence to safety protocols for the well-being of our team members.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

The Company extends life insurance coverage for all its employees.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

There is a process of checking by the relevant functional team for statutory compliance before payment is processed for the value chain partners so that compliance is enforced on a regular basis.

3. Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been / are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees / workers		No. of employees / workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Employees	Not Applicable			
Workers				

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

Specific / select contract based engagement is provided to specialist positions and leadership positions post retirement based on need of business of the Company. The Company provides consultant role for those senior employees after the retirement also. The Company does provide opportunity of working in other areas based on choice of the employees by reskilling themselves. For those whose employment is terminated on performance grounds as a last resort, are supported by talent acquisition team based on need of the exiting employee (reskill and redeploy).

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	100% of value chain partners of the Company are covered at the time of empanelment of the agency, vendor/contractors for the health and safety practices and working conditions provided by them before awarding contract with them. Internal audits are being conducted periodically at the facilities post engagement, so that deviations are fixed.
Working conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners

WABAG implements a robust Operation Control Procedure for contractual agreements signed with the contractors. Before finalizing such contracts, all relevant Environment, Safety, Health, and Security (ESHS) documents including manuals, procedures, work instructions and operational control procedures, are shared with such contractors for their review and concurrence. Regular internal audits on safety are also conducted across the Company's sites, extending to assessments of value chain partners. This ensures that safety standards are consistently upheld throughout the operational network. To guarantee the safety of the contractor's personnel, comprehensive training and awareness programs are also provided periodically, specifically addressing identified job-related risks. Incidents involving contractors are promptly reported through the incident monitoring system, facilitating efficient resolution and preventing recurrence. Furthermore, these incidents are circulated across the organization for knowledge sharing, fostering a proactive approach to risk mitigation and promoting a culture of safety across the entire value chain.

PRINCIPLE

4

Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity.

The Company understands the significance of identifying and engaging with various stakeholders to gain insight into their expectations and develop effective strategies. Key stakeholders, both internal and external, are identified based on their impact on the Company's operations and functioning. These include employees, shareholders / Investors, Communities /NGO, Vendors / Contractors, customers, Governments & Regulatory Authorities and Lending institutions.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Employees	No	Email, Town hall, Notice Board, Website, internal circulars etc	Regularly or periodically (as and when required)	To share business information & decision and obtain feedback. Concerns raised during such interfaces are duly addressed.

Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/ No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually / Half yearly / Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders / Investors	No	Press releases and press conferences (intimation to the Stock Exchanges); Email, Website, Investor conferences, Newspaper Ad, Conference calls and General Meetings (AGM / EGM)	Quarterly, Half yearly and Annually and Periodically (based on requests received)	Educating the investors community about business model and Understanding shareholder expectations.
Communities / NGO	No	Meetings, Trainings & Workshops, Website, Social Media	Regular	Support CSR Projects, livelihood restoration where impacted by our projects
Vendors / Contractors	No	Email, SMS, Website, Social Media, site meetings	Regular	To do business and raise concerns
Customers	No	Events, conferences, periodic meetings, Email, SMS, Advertisement, Social Media Website.	Monthly	Engage with the Customers on WABAG's solutions and services. Seek Customers' feed back on WABAG's services and continuously improve to meet their expectations.
Governments & Regulatory Authorities	No	Email, Website, Physical and Digital meetings.	Quarterly, Half-yearly, Annually and periodically (as and when required as per the Statutes)	Discussions with regulatory bodies' w.r.t approvals and renewal of licenses. Policy advocacy.
Lending institutions	No	Meetings, Email, Website	Quarterly, Half-yearly, Annually and periodically (as and when required)	Consortium meetings

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

In its pursuit to strive for a greener and sustainable world around, the Company has formed "Sustainability Executive Committee (SEC)" and "Sustainability Working Group (SWG)" with clearly defining the details of the Committee members along with their roles and responsibility. The SEC & SWG are duly guided by the Sustainability Committee of the Board of Directors of the Company chaired by Mrs. Vijaya Sampath, Independent Director.

The Company has also engaged reputed consultant to provide expert guidance on the aforesaid subjects. Meetings of the SEC and SWG were conducted during the year for discussion and finalization of the ESG initiatives, Goals or Targets, along with an awareness session with external consultant at the Head Office of the Company. Outcome of the aforesaid Meetings were put up to the Sustainability Committee of the Board, for their further consideration and recommendation to the Board for final approval.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. For example, the Company addressed livelihood restoration for the community identified as affected persons / households through stakeholder consultation, in projects where the Company has the responsibility as a project developer. The inputs received from consulting firm to connect with people have been incorporated in the policies and activities of the Company.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

The Company does not have any vulnerable or marginalized group in its project works.

PRINCIPLE

5

Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Total (A)	No. of Employees / Workers covered (B)	% (B/A)	Total (C)	No. of Employees / Workers covered (D)	% (D/C)
Employees						
Permanent	914	914	100%	847	847	100%
Other than permanent	225	225	100%	207	207	100%
Total Employees	1,139	1,139	100%	1,054	1,054	100%
100% of the employees are provided the details of the policies including human rights at the time of joining during their induction programme. Further, the Company has published the policy on human rights which imbibes the spirit of human rights in its operation and value chain across the globe and the said policy is available in the website of the Company viz., Policy-on-Human-Rights.pdf (www.wabag.com). The Company believes all its employees have read and understood the said policy.						
Workers						
Permanent	The Company does not have any factories or production facilities; hence it does not have any workers on its rolls.					
Other than permanent						
Total Workers						

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2023-24 (Current Financial Year)					FY 2022-23 (Previous Financial Year)				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F / D)
Employees										
Permanent	914	-	-	914	100%	847	-	-	847	100%
Male	834	-	-	834	100%	774	-	-	774	100%
Female	80	-	-	80	100%	73	-	-	73	100%
Other than Permanent	225	-	-	225	100%	207	-	-	207	100%
Male	202	-	-	202	100%	188	-	-	188	100%
Female	23	-	-	23	100%	19	-	-	19	100%

Category	FY 2023-24 (Current Financial Year)				FY 2022-23 (Previous Financial Year)					
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C / A)		No. (E)	% (E/D)	No. (F)	% (F / D)
Workers										
Male	The Company does not have any factories or production facilities; hence it does not have any workers on its rolls.									
Female										
Other than Permanent										
Male										
Female										
Total										

3. Details of remuneration/salary/wages

a. Median Remuneration / wages:

	Male		Female	
	Number	Median Remuneration / salary / wages of respective category (Amount in INR)	Number	Median Remuneration / salary / wages of respective category (Amount in INR)
Board of Directors (BoD) [Whole Time Directors]	2	3,08,99,270		
Board of Directors (BoD) [Non-Executive Directors (including Independent Directors)]	3	18,00,000	1	18,00,000
Key Managerial Personnel (KMP)	6*	1,17,68,963		Not Applicable
Employees other than BoD and KMP	1,030	8,90,160	103	6,74,760
Workers	The Company does not have any factories or production facilities; hence it does not have any workers on its rolls.			

* Data as on March 31, 2024

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Gross wages paid to females as % of total wages	4.78%	4.97%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes, the Human Resource Department Head is responsible for the same who will be supervised by the Whole time director of the Company.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues

The Human Rights Policy of the Company elaborates on the grievance redressal mechanism and the policy is available at Policy-on-Human-Rights.pdf (www.wabag.com).

6. Number of Complaints on the following made by employees and workers:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of the year	Remarks	Filed during the year	Pending resolution at the end of the year	Remarks
Sexual Harassment	-	-	-	1	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour / Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

We used to conduct POSH (Prevention of Sexual Harassment) related training in the office and at sites to create awareness among employees and workers about their rights, the legal framework, and the procedures for addressing and reporting sexual harassment at the workplace.



	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	1
Complaints on POSH as a % of female employees / workers	0	0
Complaints on POSH upheld	0	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

WABAG has a Whistle Blower Policy wherein the employees shall file a complaint against any wrong practices, discrimination, unethical behavior or harassment without any apprehension as the confidentiality of the complainant details are being ensured. WABAG's policy on prevention on sexual harassment (POSH) takes care of protection of complainants. Also, the Code of Conduct of WABAG requires employees to behave responsibly in their action and conduct. Apart from that, WABAG has Committees at every location for the protection of women at workplace to ensure their rights, receive grievances, and conduct investigation to take action.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	Yes, all work places are assessed by WABAG's in house HR and IR team / internal auditor team. Assessment by external team is done on random sampling basis in WABAG.
Forced / involuntary labour	
Sexual Harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

There is no significant risk / concerns raised from the assessment.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.

No complaint received in FY 2023-24 for human rights violation.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

WABAG adheres to the UNGC (United Nation Global Compact) principles which include Human Rights clauses. Fostering a culture of caring and trust are embedded in various corporate policies like Environment, Health & Safety (EHS) Policy, Whistle- Blower policy and the Code of Conduct Policy (CoC). WABAG has laid down its CoC, which is applicable to the members of the Board, senior management and employees of the Company. The objective is to be committed and vigilant towards the ethical conduct of business processes and instill a sense of ownership within WABAG Group. Respect to fellow employees is listed as one of the fundamental values to be practiced by every WABAGite while at work. All designated employees, including Board Members, adhere to the CoC and provide an annual declaration of their compliance. WABAG is committed to treating every employee with dignity and respect. WABAG has formulated a policy on 'Protection of Women's Rights at Workplace' as per the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules, 2013. The said policy is applicable to all WABAG establishments. Further, the Company conducts regular audit and inspection by EHS Department on EHS and human rights issues. The scope of audit covers all project facilities and offices including the value chain partners (supply chain partners) that are active in WABAG's EPC and O&M projects.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

WABAG's largest establishment is its Head Office situated in Chennai as "WABAG House" and here we have duly provided easy access to differently abled visitors as per the Statutes. The work facilities where construction activities are conducted is the work place of our customers to the best possible extent we address easier access of differently abled visitors.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	Value Chain partners are mandated to adhere to the Company's policies, as applicable.
Discrimination at Workplace	
Child Labour	
Forced Labour / Involuntary Labour	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

NA

PRINCIPLE

6

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

In WABAG House, 78% of the Electrical energy consumed is from Renewable energy for the FY 2022-23. In continuation to that 82% of the Electrical energy is consumed from Renewable energy for FY 2023-24. To show case our performance on the renewable energy consumption, we had filed the application and got the Near Net Zero – Energy certification from the Confederation of Indian Industries.

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) (MJ)	32,81,474	29,95,668
Total fuel consumption (B) (MJ)	-	-
Energy consumption through other sources (C) (MJ)	-	-
Total energy consumed from renewable sources (A+B+C) (MJ)	32,81,474	29,95,668
From non-renewable sources		
Total electricity consumption (D) (MJ)	7,02,208	8,23,428
Total fuel consumption (E) (MJ)	5,40,147	3,94,987
Energy consumption through other sources (F) (MJ)	-	-
Total energy consumed from non-renewable sources (D+E+F) (MJ)	12,42,355	12,18,415
Total energy consumed (A+B+C+D+E+F) (MJ)	45,23,829	42,14,083
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	0.0001803	0.0001812
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	0.0002540	0.0002420
Energy intensity in terms of physical output	N.A	N.A
Energy intensity (optional) – the relevant metric may be selected by the entity	N.A	N.A

Note: Values presented are only for WABAG House

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No, WABAG does not have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India.

3. Provide details of the following disclosures related to water, in the following format:

WABAG is engaged in production of treated water through water and waste water treatment plants at the premise of its customers. WABAG draws sea water, domestic sewage, and industrial waste water in the treatment plants and produces treated water. WABAG during the year has produced 27 million m³ per day of treated water through the treatment plants (STP) operated and maintained by it, as a result of which we are producing 9855 million m³ of water annually during FY 2023-24. WABAG has been ranked no 3 globally by Global Water Intelligence (GWI) based in London for volume of water treated through O&M of treatment plants managed by it. WABAG is ranked amongst the global top 5 desalination player by Global Water Intelligence (GWI). WABAG's main focus in future is on "Manufactured Water" viz. desalination, reuse and recycle.

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water (in kilo litres)	0	0
(ii) Groundwater (in kilo litres)	2,110	1,525
(iii) Third party water (Drinking Water) (in kilo litres)	203	217
(iv) Seawater / desalinated water (in kilo litres)	0	0
(v) Others - Recycled water (in kilo litres)	5,204	4,402
Total volume of water withdrawal (in kilo litres) (i + ii + iii + iv + v)	7,517	6,144
Total volume of water consumption (in kilo litres)	7,517	6,144
Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	0.00000030	0.00000026
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	0.00000042	0.00000035
Water intensity in terms of physical output	N.A	N.A
Water intensity (optional) – the relevant metric may be selected by the entity	N.A	N.A

Note: Values presented are only for WABAG House

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No.

4. Provide the following details related to water discharged:

We are in the business of pollution abatement and environment protection and our treatment plants at the site of customer treats the water / wastewater and make its fit for the environment including human consumption, industrial usage, etc. Our waste discharge shall always been meeting the standards prescribed for same.

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water	N.A	N.A
- No treatment		
- With treatment – please specify level of treatment		
(ii) To Groundwater	N.A	N.A
- No treatment		
- With treatment – please specify level of treatment		
(iii) To Seawater	N.A	N.A
- No treatment		
- With treatment – please specify level of treatment		
(iv) Sent to third-parties	N.A	N.A
- No treatment		
- With treatment – please specify level of treatment		
(v) Others	N.A	N.A
- No treatment		
- With treatment – please specify level of treatment		
Total water discharged (in kilolitres)		

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

We have further implemented zero liquid discharge facility in Corporate Office and achieved Platinum rated green building certification by IGBC. We have 50 KLD STP for recycling the water used for domestic purpose in WABAG House (Head Quarter in Chennai). Whatever the water used in the WABAG House is recycled and used back for Gardening and Flushing purpose. And there will be no discharge of any liquid outside of the boundary area of WABAG House.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
NOx	µg/m ³	16.8	16.8
SOx	µg/m ³	9.1	9.1
Particulate matter (PM)	µg/m ³	28.6(10), 13.0(2.5)	28.6(10), 13.0(2.5)
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Values presented are only for WABAG House

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

WABAG's commitment to sustainability extends to its global headquarters, WABAG House in Chennai. Here, the Company achieved a remarkable feat with 82% of its energy consumption being sourced from renewable power. This achievement was recognized with the prestigious Near Net Zero certification from the Confederation of Indian Industry (CII), highlighting WABAG's unwavering dedication to sustainable practices and its significant efforts in reducing scope 2 emissions.

Parameter	Unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	37.75	27.28
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	139.66	209.29
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	-	0.0000000071	0.0000000102
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	-	0.0000000100	0.0000000136
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	N.A	N.A
Total Scope 1 and Scope 2 emission intensity (optional) – the relevant metric may be selected by the entity	-	N.A	N.A

Note: Values presented are only for WABAG House

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

WABAG's commitment to sustainability extends to its global headquarters, WABAG House in Chennai. Here, the Company achieved a remarkable feat with 82% of its energy consumption being sourced from renewable power. This achievement was recognized with the prestigious Near Net Zero certification from the Confederation of Indian Industry (CII), highlighting WABAG's unwavering dedication to sustainable practices and its significant efforts in reducing scope 2 emissions.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A) (in metric tonnes)	0.064	0.076
E-waste (B) (in metric tonnes)	0	0
Bio-medical waste (C) (in metric tonnes)	0	0
Construction and demolition waste (D) (in metric tonnes)	0	0
Battery waste (E) (in metric tonnes)	0.124	0
Radioactive waste (F) (in metric tonnes)	0	0
Other Hazardous waste. Please specify, if any (G) (in metric tonnes)	0	0
Other Non-hazardous waste generated (H). Please specify, if any.(Break-up by composition i.e. by materials relevant to the sector) (in metric tonnes)	8.667	5.160
Total (A+B+C+D+E+F+G+H)	8.855	5.236

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.000000000035	0.000000000023
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.000000000050	0.000000000030
Waste intensity in terms of physical output	N.A	N.A
Waste intensity (optional) – the relevant metric may be selected by the entity	N.A	N.A
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	8.855	5.236
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	8.855	5.236
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	We do not have any practice of Landfilling and Incineration	We do not have any practice of Landfilling and Incineration
(ii) Landfilling		
(iii) Other disposal operations		
Total	0	0

Note: Values presented are only for WABAG House

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The environmental management system of WABAG has been proven through its ISO 14001:2015 certification for the Integrated Management System. WABAG adheres to the clauses of ISO 14001:2015 and implements all relevant systems. This certification covers all EPC sites, O&M sites, head office, and regional offices. Waste management procedures have been effectively implemented across all EPC sites, O&M sites, head office, and regional offices of WABAG. WABAG has a waste management plan specific to each project, which guides waste segregation, collection, storage, and disposal to authorized agencies. Our waste management plan focuses on the 5R Technique: Refuse, Reduce, Reuse, Recover, and Recycle.

11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

Sl. No.	Location of operations / offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
Not Applicable			

12 Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

WABAG's Customers own the sites and they conduct EIA study before awarding the contract. Where WABAG builds plants under BOOT or Hybrid Annuity Models (HAM), it also ensures it conducts ESIA study through specialist agencies before start of its projects. During the current financial year, there is no requirement for ESIA study as per contract / The Environment (Protection) Act, 1986.

Names and brief details of project	EIA. Notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant web link
Not Applicable					

13. Is the entity compliant with the applicable environmental law / regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

WABAG does EPC and O&M of water and wastewater treatment plants for Industries and Municipal organizations and supports to obtain such compliances as are applicable for the assets owned by the Customers.

Sl. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area -
- (ii) Nature of operations -
- (iii) Water withdrawal, consumption and discharge in the following format

Parameter	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	-	-
Total volume of water consumption (in kilolitres)	-	-
Water intensity per rupee of turnover (Water consumed / turnover)	-	-
Water intensity (optional) – the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third-parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Please specify unit	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	5,50,510*	1,34,553
Total Scope 3 emissions per rupee of turnover		0.000022	0.000006
Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity		N.A	N.A

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency - No.

*Increased Scope 3 emissions this year due to expanded accounting for purchased goods and services, assessment is going for other scope 3 categories.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	A new, patented process for Minimum Liquid Discharge and recyclables recovery	WABAG's new process - a combination of membrane distillation and crystallization - is an advanced solution to the concentrate problem in sea- and brackish water desalination.	Proven technologies are combined to achieve an almost (waste)water-free process with to a maximum reduced salt concentrate as a by-product. In addition, the concentrate can also be recycled.
2.	The Company is in the business of Design, Build and Operation and Maintenance of Water and waste water treatment plants including Desalination and Reuse technologies for treatment of water. In our operations, we take several steps and initiatives to use technologies or solutions appropriate for recovery of different resources handled. It can be fresh water which is recovered or recovery of precious metals from waste water of tannery kind of industries or recovery of oil from waste water treated for Export. The Company has taken several initiatives in the last 26 years of its presence in India towards bringing innovative technologies in to this country for both Industries and Municipal bodies.	www.wabag.com	WABAG's contribution to Water & Environment over last 26 years are: 1) 1.3 million m ³ Desalinated Water per day 2) 2.7 million m ³ Recycled Water per day 3) >41MW Green Energy per day 4) 27 million m ³ Wastewater treated per day 5) 27.5 million m ³ Clean Water per day 6) Reducing >630 Tonnes GHG Emission per day

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

Yes, we have the Business Continuity Plan and the same is available in Company's Intranet. Business continuity can play an essential role in ESG by ensuring that companies are well-prepared to address environmental, social, and governance risks and disruptions while maintaining their operations and responsibilities to stakeholders. According to ISO 22301, business continuity plan is defined

as “documented procedures that guide organizations to respond, recover, resume, and restore to a pre-defined level of operation following disruption”. A disaster recovery plan (DR or DRP) is a formal document created by an organization that contains detailed instructions on how to respond to unplanned incidents such as natural disasters, power outages, cyber-attacks and any other disruptive events. While sustainability focuses on the broader concept of maintaining valued attributes and adapting to change, continuity specifically relates to the uninterrupted continuation of specific activities or operations.

In WABAG, we have Business Continuity Plan to address the Environmental, Social and Governance risks / disruptions as an organization. We also have site specific Disaster management plan to effectively prepare for and respond to disasters.

Following testifies effectiveness of our DRP policy for IT. WABAG is in the business of pollution abatement and its primary business objective is to build plants to treat water/waste water and also operate and maintain the said plants & meeting the KPIs agreed with our clientele. While talking about disaster recovery, we want to mention here that WABAG was able to operate hundreds of plants across globe, during lock-down both in India as well as in other countries due to COVID19 impact on all the countries across globe. WABAG was able to ensure uninterrupted supply of drinking water and treatment of sewage / effluent in all its plants, thus fulfilling our commitment of protecting environment even during a disaster/Pandemic like COVID19. Our world-class IT systems enabled borderless remote digital workplace during lock-down which ensured business as usual. Workplace hygiene, continuous awareness [standard operating procedure (SOP)], vaccination drives are facilitated for our direct and indirect employees to ensure workplace safety. At WABAG's construction as well as O&M sites, employees were provided with well sanitized accommodations, safety measures and all essentials within the project premises to restrict the movement and to avoid the risk of infection.

WABAG is celebrating its 100 years of existence as a Brand and it has been growing over the period of years. This testifies the efficacy of its business continuity.

With the digital enablement, business objectives of many weeks of trips were achieved in a few hours of digital interactions among the employees and the customers.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

No Significant adverse impacts have been reported from our value chain partners.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts

The Company has well established code of conduct covering compliance related with Environmental management system and Occupational health and safety management system. All Value Chain partners are evaluated for HSEQ parameters before their onboarding.

PRINCIPLE

7

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. **Number of affiliations with trade and industry chambers/ associations.**
10
- b. **List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of/ affiliated to:**

S. No	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
1	Confederation of Indian Industry (CII)	National
2	Federation of Indian Chambers of Commerce & Industry (Associate Membership)	National
3	Export Credit guarantee corporation of India	National
4	International Water Association (IWA)	Global

S. No	Name of the trade and industry chambers / associations	Reach of trade and industry chambers / associations (State / National)
5	International Desalination Association (IDA)	Global
6	British Council	Global
7	Indo-German Chamber of Commerce & Industry	Global
8	Madras Chamber of Commerce & Industry	State
9	Madras Management Association	State
10	Engineering Export Promotion Council of India	National

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

During the year, there were no such cases.

Name of the Authority	Brief of the case	Corrective action taken
-	-	-

Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain (Yes / No)	Frequency of Review by Board (Annually / Half yearly / Quarterly / Others – please specify)	Web Link, if available
1	"Reuse of treated wastewater" for promoting economic viability and environment sustainability	Being part of various forums organized by Central and State Govt. as a thought leader	The Company's website provides various information on Reuse & Recycle.	Every quarter as part of its review of various operations	www.wabag.com
2	"Desalination" as a viable and sustainable alternative across the coastal regions	Being an active member of various groups in employer's association like CII, FICCI, etc.	WABAG's website provides good level of information on Desalination	Every quarter as part of its review of various operations	www.wabag.com
3	"Renewable energy/Green energy from Bio-gas" to make STP's self-sufficient and environment protection	Through publishing various articles and industry journals	WABAG's website provides good level of information on renewable power from sludge	Every quarter as part of its review of various operations	www.wabag.com
4	Total Resource Recovery	Sponsoring various initiatives by Govt. bodies and Private entities	WABAG's website provides good level of information on resource recovery from waste water treatment	-	www.wabag.com

PRINCIPLE
8
Businesses should promote inclusive growth and equitable development
Essential Indicators

1. **Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

During the current financial year, there is no requirement for SIA study as per contract / The Environment (Protection) Act, 1986.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not Applicable					

2. **Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (in INR)
Not Applicable						

3. **Describe the mechanisms to receive and redress grievances of the community.**

The Grievances of the Community are received directly or through NGOs and the same is being redressed by the Company as and when they arise.

4. **Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY 2023-24 (Current Financial Year)	FY 2022-23 (Previous Financial Year)
Directly sourced from MSMEs / small producers	-	-
Directly from within India	-	-

5. **Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost**

Location	FY 2023-24 (Current Financial Year) (Amount in INR)	FY 2022-23 (Previous Financial Year) (Amount in INR)
Rural	6,72,073	11,61,611
Semi-urban	5,19,37,735	2,99,87,258
Urban	13,77,91,250	12,57,42,579
Metropolitan	1,12,48,85,761	95,89,69,610

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

However WABAG through sub Contract provides employment of 3364 numbers in rural / semi urban, 2143 number in urban / metropolitan areas.

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
ESIA is normally carried out by WABAG's Customer prior to award of contract to WABAG. WABAG's customers largely being Urban Local bodies under different States, the social impact that they identify is addressed by themselves. Where WABAG acts as developer of the project, the SIA is done and identified points are duly addressed by WABAG itself. In such projects developed, WABAG did not notice any negative social impact during the year.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount Spent (in INR)
Not Applicable (Please refer CSR Annual Report – forming part of the Annual Report)			

3. a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No)

Yes, Preferential-Procurement-Policy.pdf (www.wabag.com)

This policy is aimed at setting procurement guidelines and to outline a process to support and document procurement decisions. All suppliers / customers / vendors shall be treated in a fair & equitable manner within the framework of this policy. Predominant part of procurement action of WABAG will be guided by specific clauses in its Contract and procurement is made from such vendors/contractors who are part of approved list of WABAG's customers.

- b) From which marginalized / vulnerable groups do you procure?

Not applicable

- c) What percentage of total procurement (by value) does it constitute?

Not applicable

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

The Company is a technology company rated No.3 globally by Global Water Intelligence (GWI), London, based on its complete range of technology offering. The Company has more than 125 IP rights. Currently these IPs for advanced technologies and are largely deployed in our European markets. The Company has introduced many first of its kind technologies in India. The Company is promoting technologies based on these IPs in Indian market also.

S. No.	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes / No)	Benefit shared (Yes / No)	Basis of calculating benefit share
N.A.				

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective action taken
N.A.		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1	Apprenticeship, India.	129	N.A
2	Maintenance of Public Convenience Project, Chennai	Around 250	N.A

PRINCIPLE
9
Businesses should engage with and provide value to their consumers in a responsible manner
Essential Indicators
1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Grievance redressal policy sets out WABAG's policy towards redressing grievances raised by its customers availing services from WABAG from time to time. The said policy is available in the website of WABAG i.e. Policy-on-Grievance-Redressal.pdf (www.wabag.com). Timely responses of such complaints is monitored by the Senior Management team of WABAG.

2. Turnover of products and / services as a percentage of turnover from all products / service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable as WABAG does not have specific consumer product or product range.
Safe and responsible usage	
Recycling and / or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY 2023-24 (Current Financial Year)			FY 2022-23 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	-	-	-	-	-	-
Advertising	-	-	-	-	-	-
Cyber-security	-	-	-	-	-	-
Delivery of essential services	-	-	-	-	-	-
Restrictive Trade Practices	-	-	-	-	-	-
Unfair Trade Practices	-	-	-	-	-	-
Other	-	-	-	-	-	-

4. Details of instances of product recalls on account of safety issues:

Not Applicable

	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has a framework/ policy on cyber security and risks related to data privacy, available at Policy-on-Cyber-Security-Data-Privacy.pdf (www.wabag.com)

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

Not Applicable

7. Provide the following information relating to data breaches:

a. Number of instances of data breaches	There were no data breach instances during the year.
b. Percentage of data breaches involving personally identifiable information of customers	Not Applicable
c. Impact, if any, of the data breaches	Not Applicable

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The Company's business offerings can be found on the website:

<https://www.wabag.com>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and / or services.

WABAG does not have any consumer products, so this is not applicable.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

Being an Essential Service, the Company is operating and maintaining several water and waste treatment plants in India. During such maintenance, it tries to do large coverage without disruption or discontinuance by proper planning. Such actions are prior-informed by its Municipal customers in newspaper or information is circulated in advance by its Industrial customers.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Not Applicable. WABAG's water saga spans over hundred years, making it an industry leader today in the field of total water management. With presence in four continents, WABAG is a pure-play water technology multinational offering a wide range of solutions focused on conservation, optimization, recycling and reuse of resources, directed at addressing water challenges across the world. The details are available in the website of the Company <https://www.wabag.com/about-us/>

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Vision

"WABAG shall be a professionally managed Indian Multinational having Market Leadership in Emerging Markets and significant position in the Global Market both in the EPC and Service Sector of WATER Business.

WABAG shall encourage and practice a culture of caring, trust and continuous learning while meeting expectations of employees, stakeholders and society. WABAG-ites shall be an innovative, entrepreneurial and empowered team committed to total customer satisfaction and value creation."

Mission

"We, at WABAG, exist to provide total water solutions to our valued customers. Our strong, capable, agile and customer focused team shall ensure that every customer solution is creative, priced competitively and provided in the agreed time frame with essence of quality at optimum cost. We, at WABAG, always have concern for the welfare of our employees and shall do everything it takes to attract and retain the best of the talent."

DNA of WABAG

- (i) Professional Excellence and Pride
- (ii) Intensity to Succeed
- (iii) Absolute Commitment to WABAG Values

Your Company, being World's 3rd largest Private Water Operator and ranked 5th amongst the world's top Desalination plant suppliers in the annual survey of GWI (Global Water Intelligence), it is imperative that business is conducted in a fair and transparent manner. Business Ethics and Corporate Governance have always been an integral part of your Company.

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

Your Company's long-term interest is closely woven with the stakeholders' alignment. Your Company, which started its operation in the year 1924, has large number of stakeholders in water solutions sphere. It will be WABAG's endeavor to constantly promote and enhance the stakeholders' legitimate interests, as it exists to provide total water solutions to its valued customers.

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

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

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



Ethics/Governance Policies

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

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

II. BOARD OF DIRECTORS

a. Board Composition & Category of Directors

The Board of Directors ("the Board") being aware of its fiduciary responsibilities, recognises its importance

towards all its stakeholders to uphold highest standards of Corporate Governance in all matters concerning the Company and has empowered responsible human capital to implement its broad policies and guidelines and has set up adequate review processes. Your Board *inter-alia*, focuses on strategic planning, risk management, compliance, corporate governance to maintain high standards of ethical conduct, integrity and succession planning for the Directors and senior management team.

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

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

The Board of the Company, has been constituted with a balanced composition of the Independent Directors, Non-Executive Directors and Executive Directors.

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

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

b. Independent Directors' selection process

Taking into account the requirements of skill sets of the Board into consideration, eminent persons having independent standing in their respective field or profession and who can effectively contribute to the Company's business, strategy and policy decisions are considered by the Nomination & Remuneration Committee (NRC), for appointment and re-appointment, as the Independent Directors of the Board.

The NRC considers viz. (i) qualification, (ii) positive attributes, (iii) area of expertise, (iv) the skillset required by the Directors, (v) number of Directorship & Membership held in various committees of other companies by such persons, and (vi) determining directors' independence for selection of the Directors. The Board considers the NRC's recommendations, takes appropriate decisions and recommends to the Members the proposal for appointment and re-appointment of the Independent Directors.

The Independent Directors, at the first meeting of the Board in which they participate as the Directors, thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect their status as an Independent Director, submit a declaration to the Board that he/she meets the criteria of independence as provided under the Act and the SEBI LODR.

c. Board Members' Familiarization Programmes

Key documents viz., (i) Company's corporate profile, (ii) Mission, Vision, Work Ethics & General Business Principles, (iii) Organisation Structure, (iv) Company's history and milestones, (v) Annual Reports, (vi) a brief background on the business of the Company and highlights of its performance, (vii) major policies of the Company, Code of Conduct, fund raising history etc., are provided to the Board Members. Various presentations are also made to the Board periodically on (i) business and performance updates, (ii) global business environment, (iii) risk management, (iv) Company's policies, (v) subsidiaries information and (vi) changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates and other relevant issues. The familiarization programmes

are aimed to familiarize the Directors with Company's policies and business and for the Directors to stay updated with Business and regulatory changes.

The details of such familiarization programmes for the Independent Directors are posted on the website of the Company and can be accessed at <https://www.wabag.com/compliances/>.

d. Meetings of the Independent Directors

Pursuant to Regulation 25 of the SEBI LODR and Schedule IV of the Act, the Independent Directors of the Company meet at least once in every financial year without the presence of the Non-Independent Directors and management personnel. Such meetings enable the Independent Directors to discuss the matters inter-alia pertaining to the Company's affairs and other matters mentioned in the SEBI LODR and Schedule IV to the Act. The Independent Directors take appropriate steps to present their views to the Chairman and Managing Director. During the FY 2023-24, One (1) meeting of the Independent Directors was held on November 05, 2023.

Terms and Conditions of Appointment

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

e. Code of Conduct

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

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

S. No.	Name of the Director	DIN [^]	Category [@]	Number of Directorships held in other public limited companies as on March 31, 2024 [#]		Number of Committees / Chairmanships / other public limited companies as on March 31, 2024 ^{##}		Board meetings during the FY 2023-24		Whether attended the previous AGM held on August 11, 2023	No. of Equity Shares held in the Company ^{\$\$}
				Chairman	Director	Chairman	Member	Held	Attended [§]		
1	Mr. Rajiv Mittal	01299110	CMD	-	-	-	-	7	7	Yes	97,09,406
2	Mr. S. Varadarajan	02353065	WTD & CGO	-	-	-	-	7	7	Yes	21,85,762
3	Mrs. Vijaya Sampath	00641110	NEID & IWD	-	7	-	6	7	7	Yes	Nil
4	Mr. Milin Mehta	01297508	NEID	-	5	4	1	7	7	Yes	Nil
5	Mr. Ranjit Singh	01651357	NEID	-	2	-	1	7	7	Yes	Nil
6	Mr. Amit Goela	01754804	NENID	-	1	2	-	7	7	Yes	Nil

[^] DIN: Director Identification Number

[@] CMD - Chairman & Managing Director, WTD - Whole Time Director & CGO - Chief Growth Officer, NEID - Non-Executive Independent Director, IWD - Independent Woman Director, NENID - Non-Executive Non-Independent Director

[#] Other companies do not include directorship(s) of our Company, private limited companies, Section 8 companies and companies incorporated outside India. In accordance with the Regulation 17A of the SEBI LODR, none of the Directors of the Company serves as a Director or as an Independent Director in more than seven (7) listed entities. In case he/she is serving as a Whole Time Director in any listed Company, does not hold the position of Independent Director in more than three (3) listed companies.

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

[§] Attendance includes participation through video conference/OAVM.

^{\$\$} No convertible instrument were held by the Directors.

Notes:

- None of the Directors are related inter-se.
- Seven (7) Board meetings were held during the FY 2023-24, i.e., on May 19, 2023, August 11, 2023, November 06, 2023, December 29, 2023, February 09, 2024, March 15, 2024 and March 29, 2024. At least one Board meeting was held in each quarter and gap between any two consecutive Board meetings did not exceed 120 days.
- None of the Independent Director of the Company have resigned before expiry of his/her tenure during the FY 2023-24.

g. Name of the listed entities, other than WABAG, where a Director of the Company, is a Director as on March 31, 2024:

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

h. Board Skills

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

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

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

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

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

The Board meets a minimum of four (4) times every financial year to review the financial results and business operations of the Company. Additional Board and Committee meetings are also convened to deal with specific agenda items and in case of business exigencies or matters of urgency, resolutions are passed by circulation as permitted under the Act. Audio/video conferencing facilities are available to enable active participation by all the Directors who are unable to attend the meetings in-person.

An annual calendar for the Board and various Committee meetings are pre-scheduled before the beginning of the financial year in consultation with the Directors so as to facilitate active and regular participation of all the Directors. The Board and Committee meetings are governed by a set of structured agenda which are backed by comprehensive background notes, wherever required with detailed presentations by the management team which inter-alia covers performance and operational matters (financial and non-financial), opportunities, business strategy, project status, status of action points, human resource, legal, risk perspective, update on relevant statutory changes, judicial pronouncements encompassing significant laws and their impact on the Company's business operations, quarterly/annual financial results and any other relevant information required under the law or by the Directors for the Board/Committee's review and consideration. The functioning of the Board is democratic and members of the Board are at liberty to bring up any agenda for discussions at the Board and Committee meetings.

All material information and related notes are circulated to the Directors before the meeting or tabled at the meeting with the consent of all the Directors, including but not limited to mandatory information required to be given as per Part A of Schedule II to the SEBI LODR, as part of the meeting agenda notes / papers well in advance (except for certain confidential UPSI information which are provided separately in secured manner). The information such as press releases, reports, business updates etc. as may be required by the Board are also circulated to all the Directors. All Board members have access to accurate, relevant and timely information to fulfill their responsibilities. The meetings and agenda

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

The Company has a well-established process in place for reporting to the Board and Committees, the compliance status of various statutory laws applicable to the Company through an online platform. All significant observations, decisions and comments given by the Directors at the Board meeting(s) and/or its Committee meeting(s) are promptly communicated to the relevant personnel and other team members for taking appropriate action. The status update on all the critical points, action initiated/taken on key aspects are periodically communicated to the management and/or the Directors for their review and consideration by way of Action Taken Report (ATR) which are placed at every Board / Committee meetings based on inputs received from the management team.

The disclosures are made by the Senior Management Personnel of the Company to the Board of Directors relating to any material, financial and commercial transactions, wherever they have personal / financial interest in any transaction or matters that may have a potential conflict with the interest of the Company at large, if any, on a periodical basis. As part of the green initiatives to protect environment, the Company uses a secured electronic software application system through which Board and Committee meetings agenda, notes, supporting documents and other information/communication are circulated/shared with the Directors and accessed in the meetings, thereby saving time and cost and adhering to the requisite procedures as prescribed under the law.

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

III. COMMITTEES OF THE BOARD

i. AUDIT COMMITTEE

a. Composition of the Audit Committee:

The Audit Committee (AC) comprises the following Directors:

Name of the AC members	Designation
Mr. Milin Mehta Non-Executive Independent Director	Chairman
Mr. Ranjit Singh Non-Executive Independent Director	Member
Mrs. Vijaya Sampath Non-Executive Independent Director & Woman Director	Member
Mr. Amit Goela Non-Executive Non -Independent Director (Member w.e.f. August 11, 2023)	Member
Mr. Rajiv Mittal Chairman and Managing Director (Resigned as member w.e.f. August 11, 2023)	Member

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

b. Meetings and attendance during the year:

During the financial year ended March 31, 2024, five (5) meetings of the Audit Committee were held i.e. on May 18, 2023, August 04, 2023, November 03, 2023, February 08, 2024 and March 15, 2024. The attendance of the Audit Committee members are as under:

Name of the AC members	No. of AC meetings	
	Held	Attended
Mr. Milin Mehta	5	5
Mr. Ranjit Singh	5	5
Mrs. Vijaya Sampath	5	5
Mr. Amit Goela	3 [§]	3
Mr. Rajiv Mittal	2 [#]	2

[§] Since appointed as a member of the AC, but attended all the AC meetings as a Special Invitee

[#] Upto the date of resignation as a member of the AC, but attended all the AC meetings as a Special Invitee

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

All the members of the Committee have accounting/ financial knowledge and other qualifications as required under law to carry out their functions and other relevant expertise.

The constitution and terms of reference of the Audit Committee are in conformity with Section 177 of the Act, Regulation 18 of the SEBI LODR read with Part C of Schedule II of the said Regulations. The Audit Committee is entrusted with the main responsibility to supervise the Company's internal controls and financial reporting process, *inter-alia* other matters as required to be reviewed / approved / recommended by the Audit Committee. The Committee acts as a link between the Statutory and the Internal Auditors and the Board of Directors of the Company. The Committee also reviews the financial statements and investments of unlisted subsidiary and associate Companies, Management Discussion & Analysis of the financial condition and results of operations, amongst other areas.

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

ii. NOMINATION AND REMUNERATION COMMITTEE

a. Composition of Nomination and Remuneration Committee:

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

Name of the NRC members	Designation
Mrs. Vijaya Sampath	Chairperson
Mr. Milin Mehta	Member
Mr. Amit Goela	Member
Mr. Ranjit Singh (Member w.e.f. August 11, 2023)	Member

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

b. Meetings and attendance during the year:

During the financial year ended March 31, 2024, five (5) meetings of the NRC were held i.e. on May 04, 2023, May 19, 2023, November 03, 2023, December 29, 2023 and March 21, 2024. The attendance of the NRC members are as under:

Name of the NRC members	No. of NRC meetings	
	Held	Attended
Mrs. Vijaya Sampath	5	5
Mr. Milin Mehta	5	5
Mr. Amit Goela	5	5
Mr. Ranjit Singh	3 [§]	3

[§] Since appointed as a member of the NRC, but attended all the NRC meetings as a Special Invitee

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

All the members of the Committee are Non-Executive Directors with majority of the Independent Directors. The Chairperson of the Committee is an Independent Director and different from the Chairman of the Board. The constitution and terms of reference of the Nomination and Remuneration Committee are in conformity with the Act and the SEBI LODR and also covers all the requirements specified under Section 178 of the Act and Regulation 19 of the SEBI LODR read with Part D of Schedule II, as amended from time to time.

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

d. Performance evaluation criteria for Independent Directors and Board:

The Nomination and Remuneration Committee oversees the annual self-evaluation of the Board

including Committees thereof and of the Chairman and individual Directors. It reviews and discusses all matters pertaining to performance of all the Directors including the Independent Directors, periodically as may be necessary on the basis of the detailed performance parameters set forth.

The Committee also periodically evaluates the usefulness of such performance parameters and makes necessary amendments. The NRC has laid down the criteria / questionnaires for performance evaluation of the Board, Committees and the Directors (including the Chairman and the Independent Directors) which are based on certain parameters inter-alia including the following:

- i. Adequate size and structure of the Board and has sufficient range of expertise to make it effective;
- ii. Timeliness of circulating Agenda for meetings;
- iii. Quality, quantity and timeliness of flow of information to the Board;
- iv. Opportunity to discuss matters of critical importance, before decisions are made;
- v. Familiarity with the objects, operations and other functions of the Company;
- vi. Level of monitoring of the Corporate Governance Regulations and compliance;
- vii. Involvement of the Board in Strategy discussion;
- viii. Performance of the Chairperson of the Company including leadership qualities;
- ix. Director's adherence to high standards of integrity, confidentiality and ethics;
- x. Overall performance and contribution of the directors at the meetings;
- xi. Overall performance of the Board / Committees.

e. Nomination, Evaluation and Remuneration Policy

The NRC in terms of the provisions of Section 178 of the Act, and Regulation 19 of the SEBI LODR, is responsible for formulating the criteria for determining qualification, positive attributes and independence of the Directors. The NRC is also responsible for recommending to the Board the policy relating to the remuneration of the Directors, Key Managerial Personnel and Senior

Management. In line with this requirement, the Board had adopted the Nomination, Evaluation and Remuneration Policy, which is available on the website of the Company at <https://www.wabag.com/compliances/>.

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

The Nomination and Remuneration Committee fixes the Key Performance objectives of the Executive Directors of the Board each year which are aligned with the immediate and long term goals and strategies of the Company.

The performance evaluation of the Executive Directors is undertaken after the end of the financial year on the basis of agreed Key Performance objectives. The remuneration is determined considering various factors such as relevant qualification, experience, expertise, roles, functions, responsibilities, prevailing remuneration in the industry and the financial performance of the Company. The remuneration component is split into fixed pay and performance pay which is payable on achieving various performance criteria including but not limited to the following:

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

The remuneration components payable depends on achieving the key performance metrics set by the Nomination and Remuneration Committee and

the Board, from time to time, covering the areas such as:

- Order Booking / Sales / PAT / Bank Line / Cash flow / Optimising total cost of operation of the Group etc.
- Succession Planning/Recruitment of Key lateral leadership / Employee engagements / Productivity
- Strategy Formulation and Execution
- Stakeholders engagements
- Successful financial closure of the Projects / Secure Order intakes
- Other factors as may be fixed by the NRC / Board, from time to time

The Non-Executive Directors (i.e. Directors other than the Managing Director and the Whole-time Director), are paid a commission on quarterly basis within the ceiling of 1% of the net profits of the Company as computed under the applicable provisions of the Act, from time to time, pursuant to the approval granted by the Members at the 19th AGM of the Company held on July 21, 2014 and as per the Nomination, Evaluation & Remuneration Policy of the Company.

Details of Remuneration paid during the financial year ended March 31, 2024 to the Directors are furnished hereunder:

- a. There was no pecuniary relationship or transaction between the Non-Executive Directors and the Company during the FY 2023-24.
- b. Criteria for making payments to the Non-Executive Directors:

The remuneration to the Non-Executive Directors (including Independent Directors) are paid within the monetary limit approved by the Members, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013. Other than the above and reimbursement of expenses incurred for travel and accommodation for attending the meeting of the Board and Committees, if any, no other payments are made to the Non- Executive Directors of the Company.

c. Details of the Remuneration to the Directors:

Name of the Directors	Category	Salary, Commission and allowance(s) (in INR)	Perquisites (in INR)	Sitting Fees (in INR)	Total (in INR)
Mr. Rajiv Mittal	CMD	3,85,34,143	26,78,622	-	4,12,12,765
Mr. S. Varadarajan	WTD & CGO	1,99,37,999	6,47,775	-	2,05,85,774
Mr. Amit Goela	NE NID	18,00,000	-	-	18,00,000
Mr. Milin Mehta	NE ID	18,00,000	-	-	18,00,000
Mr. Ranjit Singh	NE ID	18,00,000	-	-	18,00,000
Mrs. Vijaya Sampath	NE ID & IWD	18,00,000	-	-	18,00,000
Total					6,89,98,539

Notes:

- No sitting fees was paid to any Directors for attending meetings of the Board and Committees.
- The Company has neither advanced loans nor granted any stock options to any Directors during the FY 2023-24.
- No severance pay is payable upon termination of the appointment of the Directors. Notice period for termination of Executive Directors shall be six (6) months on either side.

iii. STAKEHOLDERS' RELATIONSHIP COMMITTEE**a. Composition of the Stakeholders' Relationship Committee :**

The Stakeholders' Relationship Committee (SRC) comprises the following Directors:

Name of the SRC members	Designation
Mr. Ranjit Singh	Chairman
Mr. S. Varadarajan	Member
Mr. Milin Mehta (Member w.e.f. August 11, 2023)	Member
Mr. Rajiv Mittal (Resigned as member w.e.f. August 11, 2023)	Member

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

b. Meetings and attendance during the year:

During the financial year ended March 31, 2024, five (5) meetings of the SRC were held i.e. on May 04, 2023, August 04, 2023, October 30, 2023, February 08, 2024 and March 15, 2024. The attendance of the SRC members is as under:

Name of the SRC members	No. of SRC meetings	
	Held	Attended
Mr. Ranjit Singh	5	5
Mr. S. Varadarajan	5	5
Mr. Milin Mehta	3 [§]	3
Mr. Rajiv Mittal	2 [#]	2

[§] Since appointed as a member of the SRC, but attended all the SRC meetings as a Special Invitee

[#] Upto the date of resignation as a member of the SRC, but attended all the SRC meetings as a Special Invitee

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

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

d. The details of the complaints received during the FY 2023-24 and the status of pending complaints:

- Number of complaints pending as on : Nil April 1, 2023
- Number of shareholder complaints : Nil received
- Number of complaints resolved : Nil
- Number of complaints not resolved to : Nil the satisfaction of Members
- Number of complaints pending as on : Nil March 31, 2024

iv. RISK MANAGEMENT AND MONITORING COMMITTEE

a. Composition of the Risk Management and Monitoring Committee (RMMC):

The RMMC comprises the following Directors:

Name of the RMMC members	Designation
Mr. Ranjit Singh	Chairman
Mr. Milin Mehta	Member
Mr. Rajiv Mittal	Member
Mr. S. Varadarajan	Member

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

b. Meetings and attendance during the year:

During the financial year ended March 31, 2024, five (5) meetings of the RMMC were held i.e. on May 04, 2023, May 18, 2023, August 04, 2023, October 30, 2023 and February 08, 2024.

The attendance of the RMMC members is as under:

Name of the RMMC members	No. of RMMC meetings	
	Held	Attended
Mr. Ranjit Singh	5	5
Mr. Milin Mehta	5	5
Mr. Rajiv Mittal	5	5
Mr. S. Varadarajan	5	5

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

The constitution and terms of reference of the RMMC are in conformity with the Act and the SEBI LODR and covers all the matters specified under Regulation 21 of the SEBI LODR. The RMMC assists the Board in their responsibilities of overseeing the risk management policies and processes and the Company's exposure to unmitigated risks. The Committee reviews the business issues in depth and recommends various solution and risk management framework including amendments to various policy decisions, strategies and ensures

risk mitigation plans and minimisation of risks from business, to the extent required and necessitated.

The Committee's terms of reference are very wide. The main responsibility of the RMMC are as follows:

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

SENIOR MANAGEMENT

The Board of Directors of the Company at its meeting held on August 11, 2023 considered and approved the amendments to the "Policy for determination of materiality for disclosure of events or information" in line the with latest amendments to the SEBI (LODR) Regulations, 2015 and also took note of the various amendments to the SEBI (LODR) Regulations, 2015. As per the amendments, the Senior Management are as under:

1. Deputy Managing Director and Group Chief Executive Officer (CEO)
2. Chief Financial Officer (CFO)
3. Company Secretary & Compliance Officer
4. CEO of all the Clusters
5. CFO of all the Clusters
6. Head - Corporate Assurance
7. Head - Global Business Development
8. Head - Global Treasury

Particulars of senior management including the changes during the FY 2023-24:

Sr. No	Name of the Senior Management Personnel	Designation	Details of Changes
1	Mr. Pankaj Malhan	Deputy Managing Director and Group Chief Executive Officer (CEO)	Resignation w.e.f October 30, 2023
2	Mr. Skandaprasad Seetharaman	Chief Financial Officer (CFO)	-
3	Mr. Anup Kumar Samal	Company Secretary & Compliance Officer	-
4	Mr. Shailesh Kumar	CEO - India Cluster	-
5	Mr. Mahmut Gedek	CEO - Europe Cluster	-
6	Mr. V. Arulmozhi	CFO - India Cluster	-
7	Mr. Moetz Erwin	CFO - Europe Cluster	-
8	Mr. Ramakrishna Raju Josyula	Head - Corporate Assurance	-
9	Mr. Rajneesh Chopra	Head - Global Business Development	Superannuation w.e.f September 30, 2023
10	Mr. Rajesh Singh	Head - Global Treasury	-

OTHER COMMITTEES:**v. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE****a. Composition of CSR Committee:**

The CSR Committee (CSRC) comprises the following Directors:

Name of the CSRC members	Designation
Mrs. Vijaya Sampath	Chairperson
Mr. Amit Goela	Member
Mr. S. Varadarajan	Member
Mr. Ranjit Singh (Member w.e.f. August 11, 2023)	Member
Mr. Rajiv Mittal (Resigned as member w.e.f. August 11, 2023)	Member

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

b. Meetings and attendance during the year:

During the financial year ended March 31, 2024, four (4) meetings of the CSRC were held i.e. on May 04, 2023, May 19, 2023, November 03, 2023 and February 08, 2024. The attendance of the CSRC members is as under:

Name of the CSRC members	No. of CSRC meetings	
	Held	Attended
Mrs. Vijaya Sampath	4	4
Mr. Amit Goela	4	4
Mr. S. Varadarajan	4	4
Mr. Ranjit Singh	2 [§]	2
Mr. Rajiv Mittal	2 [#]	2

[§] Since appointed as a member of the CSR, but attended all the CSR meetings as a Special Invitee

[#] Upto the date of resignation as a member of the CSR, but attended all the CSR meetings as a Special Invitee

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

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

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

vi. CAPITAL ALLOCATION COMMITTEE (CAC)

a. Composition of the Capital Allocation Committee (formerly known as Overseas Investment Committee):

The Capital Allocation Committee (CAC) comprises the following Directors:

Name of the CAC members	Designation
Mr. Milin Mehta	Chairman
Mrs. Vijaya Sampath	Member
Mr. Ranjit Singh	Member
Mr. Rajiv Mittal	Member
Mr. S. Varadarajan	Member

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

b. Meetings and attendance during the year:

During the financial year ended March 31, 2024, two (2) meetings of the CAC were held i.e. on September 08, 2023 and February 08, 2024. The attendance of the CAC members is as under:

Name of the CAC members	No. of CAC meetings	
	Held	Attended
Mr. Milin Mehta	2	2
Mrs. Vijaya Sampath	2	2
Mr. Ranjit Singh	2	2
Mr. Rajiv Mittal	2	2
Mr. S. Varadarajan	2	2

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

The Company has 17* Subsidiaries / Associates / Joint Ventures spread across different geographies and part of good Corporate Governance practices, your Board has constituted a Capital Allocation Committee to monitor and review compliances and investments made into various entities of the WABAG Group. The Committee also engages external experts on Overseas Direct Investments to review/ monitor and advise the Company from the compliance perspective for revamping/ restructuring the group structure, from time to time.

* During the FY 2023-24:

- a. Final Dissolution /Liquidation order from the Revenue Department i.e. Director General of the Revenue Department, Thailand was received confirming liquidation of WABAG Thailand Limited on November 03, 2023
- b. WABAG Wassertechnik AG, Switzerland: 100% stake held by VA Tech Wabag GmbH, Austria was sold on April 12, 2023.

- c. Thoothukudi Renew Water Private Limited, Associate Company: Application for strike off has been approved by the Registrar of Companies (ROC), Chennai as per the Notice of Striking Off and Dissolution issued by the ROC dated June 01, 2023.

vii. SUSTAINABILITY COMMITTEE

a. Composition of the Sustainability Committee (formerly known as Business Responsibility and Sustainability Committee):

The Sustainability Committee (SC) comprises the following Directors:

Name of the SC members	Designation
Mrs. Vijaya Sampath	Chairperson
Mr. Milin Mehta	Member
Mr. Ranjit Singh	Member
Mr. S. Varadarajan	Member

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

b. Meetings and attendance during the year:

During the financial year ended March 31, 2024, four (4) meetings of the SC were held i.e. on May 18, 2023, August 04, 2023, November 05, 2023 and February 08, 2024. The attendance of the SC members is as under:

Name of the SC members	No. of SC meetings	
	Held	Attended
Mrs. Vijaya Sampath	4	4
Mr. Milin Mehta	4	4
Mr. Ranjit Singh	4	4
Mr. S. Varadarajan	4	4

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

- Enhancements of scope in Business Responsibility and Sustainability Report (BRSR)
- Advising on implementation of Environment, Social and Governance (ESG), its ratings, ESG investing, etc.
- Finalisation of the BRSR & integrated report on ESG
- Any other reference as may be decided by the SC, from time to time

IV. GENERAL BODY MEETINGS

a. Annual General Meetings

The details of the Annual General Meetings held during the preceding three (3) years and the Special Resolutions passed thereat are as under:

FY	Location	Date and Time	Special Resolutions passed
2022-23	Through Video Conferencing (VC)	Friday, August 11, 2023 at 4.00 P.M. (IST)	<ul style="list-style-type: none"> Re-appointment of Mr. Ranjit Singh (DIN: 01651357) as an Independent Director Re-appointment of Mrs. Vijaya Sampath (DIN: 00641110) as an Independent Director
2021-22	Through Video Conferencing (VC)	Wednesday, August 24, 2022 at 3.00 p.m. (IST)	<ul style="list-style-type: none"> Re-appointment of Mr. Milin Mehta (DIN: 01297508) as an Independent Director
2020-21	Through Video Conferencing (VC)	Wednesday, August 25, 2021 at 3.00 p.m. (IST)	Appointment of Mr. Ranjit Singh (DIN: 01651357) as an Independent Director Appointment of Mr. Amit Goela (DIN: 01754804) as an Non – Executive Non – Independent Director

b. Extraordinary General Meetings

There was no Extraordinary General Meeting (EGM) held during the preceding three (3) financial years. During the FY 2023-24, below mentioned EGM was held:

FY	Location	Date and Time	Special Resolutions passed
2023-24	Through Video Conferencing (VC)	Tuesday, January 30, 2024 at 11.00 A.M. (IST)	<ul style="list-style-type: none"> To approve adoption of 'Wabag Centenary Stock Option Scheme 2023' To approve extension and grant of Centenary Stock Options to the Employees of Group company(ies) including Subsidiary company(ies) and/or Associate company(ies) of the Company under 'Wabag Centenary Stock Option Scheme 2023'

c. Special Resolution passed through postal ballot:

During the FY 2023-24, no resolution was passed through the postal ballot.

V. MEANS OF COMMUNICATION

The Company has been sending Annual Reports, Notices and other communication to each Member through e-mail and also through post and/or courier services as requested by the Members. Pursuant to the circulars issued by the MCA and the SEBI, the Notice and Annual Report for the FY 2023-24 are sent through electronic means (e-mail) only. The Notice and Annual Report of the Company for the FY 2023-24 shall also be available on the website of the Company www.wabag.com, and also on the website of the stock exchanges viz. BSE Limited and National Stock Exchange of India Ltd.

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

- The quarterly reports, along with additional information and official news releases, are posted on the Company's website, at <https://www.wabag.com/investors-overview/>. The quarterly results / annual results are generally published in at least one English language national daily newspaper circulating in the whole or substantially the whole of India (i.e. Business Standard) and in one Tamil language regional daily newspaper circulating in the state of Tamil Nadu (i.e. Makkal Kural).
- All Quarterly results and annual financial statements (both standalone and consolidated), along with segmental and other information, are also uploaded on the Company's website, at <https://www.wabag.com/investors-overview/>.

- Audio recordings of Earnings calls with analysts and investors and their transcripts along with the presentations are also published on the Company's website at <https://www.wabag.com/share-holder-investor-communications/>. The AGM and EGM proceedings and voting results with the Scrutiniser's Report are available on the Company's website, at <https://www.wabag.com/compliances/>.
- Other information, such as press releases, stock exchange disclosures and presentations made to investors and analysts, etc., is regularly updated on the Company's website.

VI. GENERAL SHAREHOLDER INFORMATION

a. Annual General Meeting to be held for the FY 2023-24:

Day: Wednesday

Date: August 14, 2024

Time: 4.00 P.M. (IST)

Venue: Video conferencing as set out in the 29th AGM Notice

b. Financial Calendar:

The financial year of the Company is from April 01 to March 31 of every year and for the FY 2024-25, the financial results are proposed to be declared as per the following tentative schedule:

Particulars	Tentative Schedule
Financial reporting for the quarter ending June 30, 2024	First fortnight of August 2024
Financial reporting for the quarter / half year ending September 30, 2024	First fortnight of November 2024
Financial reporting for the quarter / nine months ending December 31, 2024	First fortnight of February 2025
Financial reporting for the quarter / year ending March 31, 2025	First / Second Fortnight of May 2025
Annual General Meeting for the year ending March 31, 2025	August 2025

c. Book Closure Date:

The Register of Members and Share Transfer Books of the Company will be closed from Wednesday, August 07, 2024 to Wednesday, August 14, 2024 (both days inclusive) for the purpose of the 29th Annual General Meeting.

d. Dividend Payment Date:

Your Directors have not recommended any dividend for the FY 2023-24 and decided to conserve the funds for investment requirements viz. growth capital and Hybrid Annuity Model (HAM) projects.

e. Listing on Stock Exchanges:

(i) Equity Shares:

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

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

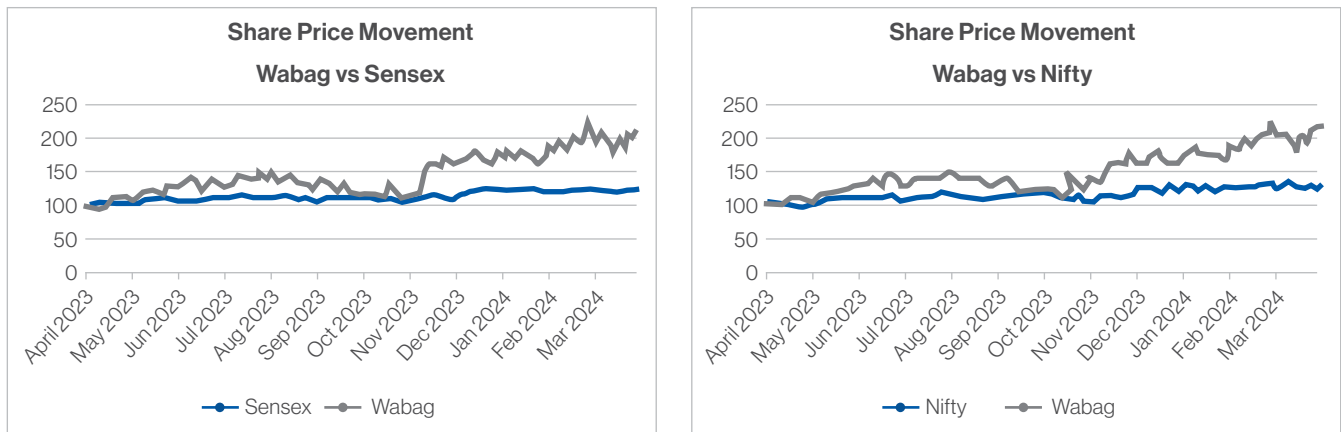
The Company has paid the Annual listing fees and Custodian charges for the FY 2024-25 to both the Stock Exchanges and Depositories respectively within the prescribed time.

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

Month	BSE		NSE	
	High	Low	High	Low
April - 2023	409.3	345.75	409.50	345.50
May - 2023	480.1	377.85	472.00	380.85
June - 2023	507	454	507.20	454.05
July - 2023	537.9	472.75	537.80	472.55
August - 2023	544.8	466.9	545.00	467.00

Month	BSE		NSE	
	High	Low	High	Low
September - 2023	503.75	449.6	504.00	451.00
October - 2023	513.4	436.35	513.00	435.45
November - 2023	624.9	475.9	625.00	476.00
December - 2023	667.6	581.5	666.90	575.15
January - 2024	688.25	595.9	688.00	595.50
February - 2024	814	653.95	814.20	654.35
March - 2024	779.55	650.05	779.85	651.80

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



Share price performance during FY 2023-24 in comparison to broad based indices - BSE Sensex and NSE Nifty

Month	VA TECH WABAG's Closing Price on NSE on the last trading day of month (INR)	BSE Sensex at the Close of last trading day of the month	NSE Nifty at the Close of last trading day of the month
April - 2023	390.30	61112.44	18065.00
May - 2023	459.20	62622.24	18534.40
June - 2023	489.85	64718.56	19189.05
July - 2023	529.15	66527.67	19753.80
August - 2023	494.60	64831.41	19253.80
September - 2023	458.55	65828.41	19638.30
October - 2023	482.30	63874.93	19079.60
November - 2023	611.25	66988.44	20133.15
December - 2023	627.80	72240.26	21731.40
January - 2024	674.45	71752.11	21725.70
February - 2024	731.60	72500.30	21982.80
March - 2024	763.45	73651.35	22326.90

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

The Board of Directors of the Company at their meeting held on February 09, 2024 had inter-alia approved the change of Registrar and Share Transfer Agent of the Company to Cameo Corporate Services Limited, Chennai having SEBI Registration no: INR000003753 an ISO/IEC 27001:2013 certified, leading Category I Registrar and Share Transfer Agent in place of Kfin Technologies Limited, Hyderabad for the Equity Shares of the Company and the required shifting of electronic connectivity to Cameo Corporate Services Limited was effective from July 01, 2024.

Details of previous RTA	Details of new RTA (w.e.f. July 01, 2024)
KFin Technologies Limited <i>(Formerly KFin Technologies Private Limited)</i> Unit: VA TECH WABAG LIMITED Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032 Toll free no. 1800-309-4001 Email ID: einward.ris@kfintech.com	Cameo Corporate Services Limited Subramanian Building, 1, Club House Road, Anna Salai, Chennai – 600002, Tamil Nadu Toll free no. 044 4002 0700 Email ID: Investor@cameoindia.com

i. Share Transfer System:

In terms of Regulation 40 of the SEBI LODR, as amended, no transfer of shares of a listed company in physical mode is permitted. Transfer of shares is permitted only in dematerialised form. The dematerialised shares are directly transferred by the depositories to the beneficiaries. A summary of the de-materialisation request / re-materialisation requests are placed before the meetings of the Stakeholders Relationship Committee.

The Company obtains certificate from the Practicing Company Secretary in terms of Regulation 40(9) of the SEBI LODR certifying that the certificates (Letter of Confirmation), if any required, have been issued within 30 days of the date of lodgment and thereafter submit the same to the stock exchanges. In terms of Regulation 40 of the SEBI LODR, as amended, no transfer of shares in physical mode is permitted.

Nomination facility for Shareholding

As per the provisions of Section 72 of the Act, facility for making nomination is available for Members in respect of shares held by them. Members holding shares in physical form may obtain a nomination form (Form SH-13), from the Company or download the same from the Company's website. Members holding shares in dematerialised form should contact their respective Depository Participant (DP) in this regard.

j. Distribution of equity shareholding as on March 31, 2024:

Distribution by size (PAN based)

Sr. No.	Category (Shares)	March 31, 2024				March 31, 2023			
		No of Holders	% to Holders	No of shares	% to Equity	No of Holders	% to Holders	No of shares	% to Equity
1	1-500	100349	92.80	7587359	12.20	92142	92.65	7466434	12.01
2	501-1000	3802	3.52	2898539	4.66	3704	3.72	2891182	4.65
3	1001-2000	1969	1.82	2890271	4.65	1807	1.82	2671680	4.30
4	2001-3000	626	0.58	1584774	2.55	626	0.63	1604021	2.58
5	3001-4000	347	0.32	1232078	1.98	280	0.28	1002475	1.61
6	4001-5000	238	0.22	1104936	1.78	223	0.22	1043921	1.68
7	5001-10000	414	0.38	2971858	4.78	346	0.35	2563861	4.12
8	10001 and above	385	0.36	41920613	67.41	321	0.32	42946854	69.06
Total		108130	100	62190428	100	99449	100	62190428	100

k. Dematerialisation of Shares and Liquidity

The Company's shares are available for dematerialisation with both the Depositories i.e., National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). A total of 99.99% of the Equity shares have been dematerialised as on March 31, 2024.

ISIN: INE956G01038 (Fully Paid Shares)

Description No. of Members* No. of Shares % Equity

Description	No. of Members*	No. of Shares	% Equity
Physical	6	254	0.00
NSDL	50,061	4,82,92,740	77.75
CDSL	60,670	1,38,97,434	22.35
Total	1,10,737	6,21,90,428	100

*Calculated on folio basis

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

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

i. GDRs / ADRs:

The Company has not issued any GDRs / ADRs in the past and hence as on March 31, 2024, the Company does not have any outstanding GDRs / ADRs.

ii. Warrant:

During the FY 2023-24, the Company has not issued any warrant and there is no warrant outstanding for conversion which is likely to impact on equity.

iii. Foreign Currency Convertible Bonds (FCCBs):

During the FY 2023-24 and in the past, the Company has not issued any FCCBs.

iv. Non-Convertible Debentures (NCDs):

During the FY 2023-24, the Company had allotted secured, unlisted, redeemable, transferable, rated and interest bearing NCDs worth INR 100 Crores consisting of 1,00,000 NCD of face value of INR 10,000 each (Series 1) to Asian Development Bank (ADB) out of the total issued NCDs worth INR 200 Crores under private placement.

m. Commodity Price Risk / Foreign Exchange

Risk and Hedging activities:

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

n. Plant locations:

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

o. Address for correspondence:

VA TECH WABAG LIMITED

Company Secretary and Compliance Officer
(Corporate Secretarial Department)

Global Headquarters

'WABAG House', No.17,

200 Feet Thoraipakkam –Pallavaram Main Road,

Sunnambu Kolathur, Chennai - 600 117,

Tamil Nadu, India

CIN: L45205TN1995PLC030231

T: +91 44-6123-2323 | F: +91 44-6123-2324

E-mail: companysecretary@wabag.in

p. Prevention of Insider Trading:

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

q. Reconciliation of Share Capital Audit:

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

r. Equity Shares in the Suspense Account:

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

- None of the equity shares issued during Initial Public offer were lying as on March 31, 2024 in the "VA TECH WABAG LIMITED –UNCLAIMED SHARES DEMAT SUSPENSE ACCOUNT".

s. List of all credit rating obtained for debt:

The Company's borrowing arrangements has received a revision in credit rating by the India Ratings & Research (wholly-owned subsidiary of Fitch group), the credit rating agency of the Company, which revised the Outlook on Debt instruments to Positive from Stable, affirmed with 'IND A+'; Rates Additional NCDs during the FY 2023-24 as below:

- **Fund based limits** - IND A+/Positive/IND A1+ - Affirmed; Outlook revised to Positive from Stable
- **Non-fund-based limits** - IND A+/Positive/IND A1+ - Affirmed; Outlook revised to Positive from Stable

Please refer to the Board's Report for further details.

t. Investor Education and Protection Fund (IEPF)

In accordance with the applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) (IEPF Rules), all unclaimed dividends, which are not claimed for a period of seven (7) years from the date of transfer to Unclaimed Dividend Account of the Company, are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF).

Further, according to the IEPF Rules, all the share in respect of which dividend has not been claimed by the Members for seven (7) consecutive years or more from the respective date of transfer to Unpaid Dividend Account shall also be transferred to the demat account of the IEPF Authority. The said requirement does not apply to shares in respect of which there is a specific Order of Court, Tribunal or Statutory Authority, restraining any transfer of the shares. The members can claim the dividends and shares transferred to the IEPF Authority by submitting an online application in web Form No. IEPF-5 available on the website www.iepf.gov.in as per the procedure prescribed under the Act. No claim shall lie against the Company in respect of the shares and dividend so transferred.

In accordance with IEPF Rules, the Board of Directors have appointed Mr. Anup Kumar Samal, Company Secretary & Compliance Officer of the Company, as the Nodal Officer for the purpose of verification of claims and for co-ordination with IEPF Authority. Details of the Nodal

Officer for the purpose of co-ordination with the IEPF Authority are available on the website of the Company at <http://www.wabag.com/investor-contacts/>. Shares and dividends have been transferred into IEPF account from the FY 2010-11 onwards and Company is processing the requests received from Members who are filing the IEPF-5 available on the website of the Company.

Reminder to the Members:

In accordance with IEPF rules, if a Member of the Company has not claimed the dividend declared by the Company for a period of seven (7) consecutive years, then the said unclaimed dividend along with the corresponding shares held by them are being transferred to the IEPF and no further claim can be made to the Company on such dividend / shares. The Company sends periodical reminders/ communication to all those Members whose dividend is unclaimed/unpaid for a period of seven (7) years. The Company encourages the Members to approach the Company/ RTA with appropriate documents to encash their unclaimed/unpaid dividend before the said dividend / corresponding shares are transferred to Investor Education and Protection Fund, in compliance with the IEPF Rules as amended from time to time. Members are requested to write to the Company / RTA to claim their unclaimed dividend(s), if any.

u. SEBI Complaints Redress System (SCORES):

SEBI vide its circular dated March 26, 2018 issued new policy measures w.r.t. SEBI Complaints Redress System (SCORES). As per the new process, SEBI has requested the Members to approach the Company directly at the first instance for their grievance, if any.

Further, as per the SEBI Circular No. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023, a new SMART ODR Portal (Securities Market Approach for Resolution Through ODR Portal) was implemented by the SEBI. This platform was designed to enhance investor grievance redressal by enabling the investors to access Online Dispute Resolution (ODR) Institutions for the resolution of their complaints.

v. Investor Relations:

The Investor Relations (IR) team of the Company serves as a bridge for two-way Communication of information and insights between the investor community and the Company. On the one hand, this seamless channel of communication enables the investment community to be aware of the Company's business activities, strategy and prospects and allows them to make an informed judgement about the Company. On the other hand, the Company receives valuable inputs and feedback from the investor community which are given

due consideration and factored into future plans and strategies. The Company has a designated e-mail ID for Investor Relations: investors@wabag.in.

VII. SUBSIDIARY & ASSOCIATE COMPANIES

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

- i. The financial statements, including the investments made by subsidiary and associate companies, if any, are reviewed by the Audit Committee of the Company periodically;
- ii. The minutes of the Board / Audit Committee meetings of the subsidiary companies are noted at the Board / Audit Committee meetings respectively of the Company, as applicable;
- iii. The details of significant transactions and arrangements entered into by the subsidiary companies are placed periodically at the Audit Committee and Board meetings of the Company;
- iv. Detailed update on various businesses carried out by the subsidiaries and associates of the Company and joint ventures, are presented to the Board of Directors of the Company, on a quarterly basis;
- v. Utilisation of loans / advances given or investment made in subsidiary and associate Companies is reviewed periodically by the Audit Committee of the Company.

VIII. OTHER DISCLOSURES

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

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

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

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

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

To maintain high level of legal, ethical and moral standards and to provide a gateway for employees to voice concern in a responsible and effective manner about serious malpractice, impropriety, abuse or wrongdoing within the organisation, the Company has a Whistle Blower Policy / Vigil Mechanism in place, applicable to the Company and its associates and subsidiaries.

This mechanism has been communicated to all the concerned and posted on the Company's website <https://www.wabag.com/compliances/>. Procedure for making complaint has been prescribed in the said policy. We affirm that during the year under review, no one has been denied access to the Chairman of the Audit Committee under the Whistle Blower Policy. During the FY 2023-24, no complaints relating to the Company were received by the Committee Members / Chairman of the Audit Committee.

- d. **The Company has complied with the mandatory requirements of listing regulations. Further, the Company has also put its best endeavor to comply with non-mandatory requirement(s).**
- e. **The Company has framed a Policy on determining Material Subsidiaries and the same is placed on the Company's website and the web link for the same is <https://www.wabag.com/compliances/>.**
- f. **The Company has framed "Policy on Materiality of Related Party Transactions and on dealing with the Related Party Transactions", and the same is placed on the Company's website and the web link for the same is <https://www.wabag.com/compliances/>.**
- g. **During the financial year ended March 31, 2024, the Company did not engage in commodity business, commodity risk is not applicable. The foreign exchange risks are managed/ hedged to the extent deemed necessary.**
- h. **Details of utilisation of funds raised through preferential allotment or qualified institutional placement as specified under Regulation 32(7A):**
The Company has not raised any funds as share capital during the FY 2023-24 through preferential allotment or qualified institutional placement.
- i. **Certificate from the Company Secretary in practice that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of the companies by the Board / Ministry of Corporate Affairs or any such statutory authority is annexed hereinafter.**

- j. The Board has unanimously accepted all recommendations of the Board committees which are mandatorily required in the relevant financial during the FY 2023-24.
- k. Total fees for all services paid by the Company & its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm / network entity of which the statutory auditors are a part was INR 9 Million.
- l. **Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013:**
- Number of complaints filed during the FY: Nil
 - Number of complaints disposed of during the FY: Nil
 - Number of complaints pending as on end of the FY: Nil
- m. **Disclosure by the Company and its subsidiaries w.r.t. "Loans and Advances in the nature of Loans to firms / companies in which directors are interested by name and amount":**

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

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

Name of the material subsidiary	VA TECH WABAG GmbH
Date and place of incorporation	June 26, 1990, Vienna, Austria
Name and date of appointment of the Statutory Auditors	Rödl & Partner GmbH Wirtschaftsprüfungsgesellschaft, Steuerberatungsgesellschaft Zaunergrasse 4/4 Stock, A-1030 Wien, WT Code:802709 [Date of Appointment of the Auditor: January 19, 2024]

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

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

a. Modified opinion in Audit Report

During the year under review, there is no audit qualification on Company's Financial Statements. The

Company continues to adopt best practices to ensure unmodified audit opinion.

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

Mr. Rajiv Mittal is designated as the "Chairman & Managing Director" of the Company.

c. Reporting of Internal Auditor:

M/s PKF & Associates, Chartered Accountants and the Corporate Assurance Department of the Company are permanent invitees to the Audit Committee meetings and regularly attends the meetings for reporting their findings of the internal audit to the Audit Committee.

d. Disclosure on Accounting Standards

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

XI. Disclosure of certain types of agreements binding listed entities

The Board of Directors of the Company at its meeting held on:

- March 29, 2024 had considered and approved the proposal for execution of the Shareholders Agreement amongst VA Tech Wabag Limited (Existing Shareholder), DK Sewage Project Private Limited (Subsidiary Company) and Madhya Pradesh Waste Management Private Limited (Investor). The said Agreement aims to record the terms and conditions on which the Investor will invest in the Subsidiary Company and the rights and obligations of the Shareholders of the Company.
- May 07, 2024 had considered and approved the proposal for execution of the Shareholders Agreement amongst VA Tech Wabag Limited, A K Electrical & Works Private Limited (Investor) and Kopri Bio Engineering Private Limited (Subsidiary Company). The said Agreement aims to record the terms and conditions in connection with entire 51% stake sale by the Company and other arrangements in the Subsidiary Company and the rights and obligations of the Shareholders of the Company.

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

DECLARATION ON COMPLIANCE WITH THE CODE OF CONDUCT

To,
The Members of
VA TECH WABAG LIMITED

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

I, Rajiv Mittal, Chairman and Managing Director of VA TECH WABAG LIMITED, to the best of my knowledge and belief, declare that all the members of the Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of the Company for the year ended March 31, 2024.

For **VA TECH WABAG LIMITED**

Rajiv Mittal

Chairman and Managing Director
(DIN : 01299110)

Date: May 21, 2024
Place: Chennai

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
VA TECH WABAG LIMITED,
Chennai.

I, M. Damodaran, Managing Partner of M Damodaran & Associates LLP have examined the compliance of the conditions of Corporate Governance by VA TECH WABAG LIMITED (CIN : L45205TN1995PLC030231), Chennai for the financial year ended on 31st March, 2024, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2), and paragraphs C, D and E of Schedule V of Chapter IV of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR").

The compliance of the conditions of corporate governance is the responsibility of the management. My examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of corporate governance as stipulated in SEBI LODR for the year ended 31st March, 2024.

I state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

M. DAMODARAN

Managing Partner

M DAMODARAN & ASSOCIATES LLP

Membership No.: 5837

COP. No.: 5081

FRN: L2019TN006000

PR 3847/2023

ICSI UDIN: F005837F000408349

Date: May 21, 2024
Place: Chennai

CEO AND CFO CERTIFICATION

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

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

We have reviewed the financial statements and the cash flow statement of VA TECH WABAG LIMITED for the year ended March 31, 2024 and to the best of our knowledge and belief:

- (a) (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the Auditors and the Audit Committee that there are:
 - (i) no significant changes in internal control over financial reporting during the year;
 - (ii) no significant changes in accounting policies during the year except for change in accounting policy as necessitated by INDAS and Companies Act mainly and that the same have been disclosed in the notes to the financial statements;
 - (iii) no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For **VA TECH WABAG LIMITED**

Rajiv Mittal
Chairman & Managing Director
(DIN : 01299110)

Shailesh Kumar
CEO -India Cluster

Skandaprasad Seetharaman
Chief Financial Officer

Date: May 21, 2024
Place: Chennai

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of

VA TECH WABAG LIMITED

Corporate Identity Number: L45205TN1995PLC030231

"Wabag House", No. 17, 200 Feet Thoraipakkam -

Pallavaram Main Road,

Sunnambu Kolathur Chennai,

Tamil Nadu 600117, India

I, M. Damodaran, Managing Partner of M/s M Damodaran & Associates LLP, Practicing Company Secretaries have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **VA TECH WABAG LIMITED** having **CIN - L45205TN1995PLC030231** and having registered office at "Wabag House", No. 17, 200 Feet, Thoraipakkam, Pallavaram Main Road, Sunnambu Kolathur, Chennai – 600117, Tamil Nadu, India (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2024** have been debarred or disqualified from being appointed or continuing as the Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authorities.

Sr. No	Name of Director	DIN	Designation	Date of appointment in the Company
1	Mr. Rajiv Mittal	01299110	Chairman and Managing Director	27/09/2000
2	Mr. Milin Mehta	01297508	Non-Executive Independent Director	29/04/2019
3	Mrs. Vijaya Sampath	00641110	Non-Executive Independent Director	31/07/2020
4	Mr. Ranjit Singh	01651357	Non-Executive Independent Director	11/11/2020
5	Mr. Amit Goela	01754804	Non-Executive Non-Independent Director	19/07/2021
6	Mr. S Varadarajan	02353065	Whole Time Director & Chief Growth Officer	24/06/2015

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

M. DAMODARAN

Managing Partner

M DAMODARAN & ASSOCIATES LLP

Membership No.: 5837

COP.No.: 5081

FRN: L2019TN006000

P/R 3847/2023

UDIN: F005837F000408426

Date: May 21, 2024

Place: Chennai

Independent Auditors' Report

To
The members of
VA Tech Wabag Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of VA Tech Wabag Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year ended on that date, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as 'the standalone financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, its profit and total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key audit matter description and principal audit procedures
1	<p>Revenue recognition</p> <p>Refer Notes 21, 13 and 23 in the standalone financial statements.</p> <p>The Company recognises revenue and margin on the stage of completion based on the proportion of contract costs incurred relative to the estimated total costs of each contract (referred to as 'percentage of completion method'). The recognition of revenue and margin therefore is dependent on estimates in relation to the total costs on each contract. Cost contingencies may also be included in these estimates to take into account specific uncertainties within each contract. These cost estimates are reviewed by the Company on a regular basis during contract execution and adjusted where appropriate. There is significant judgement used by the management of the Company in estimating the amount of revenue and margin to be recognised by the Company and changes to these estimates could give rise to material variances, hence revenue recognition has been considered as a key audit matter.</p> <p>Our procedures include the following:</p> <ul style="list-style-type: none"> ▪ Evaluate and test key controls in the management processes in relation to recognition of revenue and margin including: <ul style="list-style-type: none"> - the preparation, review and authorisation of contract review sheets for contracts which contains the estimated total costs for the contracts including cost contingencies

S. No	Key audit matter description and principal audit procedures
	<ul style="list-style-type: none"> - the project reviews that are undertaken by the Company's management - the controls in relation to the accrual of cost towards materials and services ▪ Recalculate revenue recognised under the percentage of completion method on a test basis ▪ Evaluate the financial performance of contracts against budget / earlier year estimates and obtain reasons for significant variances thereto ▪ Test the contract value, costs incurred to date including the costs accrued for work completed, total estimated contract costs for a sample of contracts selected based on factors such as value of contracts, material new contracts and contracts where significant risks have been identified by the management of the Company ▪ Undertake site visits on a test basis to confirm our understanding of the risks and controls at site level
2	<p>Dues from customers (unbilled) and Trade receivables</p> <p>Refer Notes 2.1, 2.2, 2.3, 2.4, 6, 13 and 33 in the standalone financial statements</p> <p>The Company measures revenue to be recognised based on the contract costs incurred till the reporting date over the total estimated costs for each contract. Such revenue recognised in excess of progress billing till the reporting date is presented as 'Dues from customers' which are yet to be billed to the customers. Such Dues from customers are accounted based on the contractual terms and management's assessment of recoverability from customers.</p> <p>The management of the Company also assesses the recoverability of Trade receivables including those which have remained unsettled beyond contractual credit period using judgement and past collection trends in similar contracts and customers.</p> <p>The management of the Company estimates and recognises allowance for expected credit losses on Trade receivables and Dues from customers which involves estimation of expected default and/or delay in the customers making payment as per the contractual terms and realisability of Dues from customers, considering the past trend and its assessment on the reporting date. The valuation of Dues from customers and Trade receivables involves significant management judgement and estimates as stated above, and hence it has been considered as a key audit matter.</p> <p>Our procedures include the following:</p> <ul style="list-style-type: none"> ▪ Evaluate management's processes and controls in respect of Dues from customers and Trade receivables for the following <ul style="list-style-type: none"> - risk assessment pertaining to invoicing and recoverability - assessment of the probability of default and delay - assessment of the significant increases in credit risk, if any ▪ Seek confirmation of balances from customers having significant outstanding balances as at the reporting date ▪ Review the project progress, invoicing and collection history of customers with significant Dues from customers or Trade receivables. Discuss with the project team to understand the management's assessment of risk associated with recoverability ▪ Analyse the past trend and inquire into the reasonableness of expected credit loss allowance matrix developed by the management of the Company for estimating the allowance for Trade receivables and Due from Customers ▪ Consider the subsequent events in assessing the recoverability of Dues from customers and Trade receivables as on reporting date ▪ Consult legal counsel wherever necessary for legal disputes to assess the valuation of Trade receivables

Information other than the Standalone Financial Statements and Auditor's Report thereon

The Board of Directors of the Company is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility and Sustainability Report and Report on Corporate Governance, but does not include the standalone financial statements and our report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and Those Charged with Governance for the Standalone Financial Statements

The Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud and error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures,

and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation

- obtain sufficient appropriate audit evidence regarding the financial information of the Company and its joint operations to express an opinion on the standalone financial statements

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in Annexure 'A' to this report, a statement on the matters specified in para 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit
 - (b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books except for the

matters stated in paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)

- (c) the Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this report are in agreement with the books of account
- (d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended
- (e) on the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act
- (f) the modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014
- (g) with respect to the adequacy of internal financial controls with reference to financial statements of the Company and the operative effectiveness of such controls, refer to our separate report in Annexure 'B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the standalone financial statements
- (h) with respect to other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act
- (i) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in Note 41 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;
 - ii. the foreseeable losses on the long-term contracts of the Company are not material;

- iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
- iv. a) the management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- b) the management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. the Company has not declared or paid any dividend during the financial year.
- vi. the reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is applicable from 1 April 2023. Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except for an accounting software where the audit trail (edit log) facility was not operated for part of the year for all relevant transactions recorded in that software. Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, when it was operated. Also, refer to management's assessment of audit trail in note 45(f) of the standalone financial statements.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 24215565BKGRMQ2645

Place: Chennai
Date: 21 May 2024

Annexure A to the Independent Auditor's Report

With reference to paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of the Company of even date, we report the following:

- (i) (a) (A) the Company has maintained proper records showing full particulars, including quantitative details and situation of its property, plant and equipment and relevant details of right of use assets;
- (B) the Company has maintained proper records showing full particulars of intangible assets;
- (b) the Company has a regular programme of physical verification of its property, plant and equipment under which all property, plant and equipment are physically verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with this programme, certain property, plant and equipment were physically verified by the management during the year and no material discrepancies were noticed on such verification;
- (c) according to the information and explanations given to us and the records examined by us, we report that, the title deeds of all the immovable properties of land and buildings which are freehold and included under the head 'Property, plant and equipment' are held in the name of the Company;
- (d) the Company has not revalued any of its Property, Plant and Equipment (including right-of-use assets) and intangible assets during the year;
- (e) no proceedings have been initiated during the year or are pending against the Company as at 31 March 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder;
- (ii) (a) in our opinion, the management of the Company has conducted physical verification of inventories at reasonable intervals during the year and the coverage and procedures of such verification by the management is appropriate. No material discrepancies between physical inventories and book records were noticed on such physical verification;
- (b) the Company has been sanctioned working capital limits in excess of Rupees Five crore, in aggregate, during the year, from banks on the basis of security of current assets and the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company;
- (iii) based on our audit procedures and according to the information and explanation given to us,
 - (a) the Company has not provided advances in the nature of loans, or stood guarantee, or provided security to any other entity. The Company has granted unsecured loans to subsidiary company during the year.
 - (A) the aggregate amount of such loans given during the year is ₹236 Million, and the balance outstanding is nil as at the balance sheet date since such loans were converted into investments in non-convertible debentures of the subsidiary company;
 - (B) the Company has not provided loans to parties other than subsidiaries and associates.
 - (b) in our opinion, the investments made and loans given during the year are, prima facie, not prejudicial to the Company's interest;
 - (c) in respect of loans provided during the year, the schedule of repayment of principal and payment of interest has been stipulated in the loan agreement and no repayments are due before its conversion into investments in non-convertible debentures of the subsidiary company during the year;
 - (d) the loans provided by the Company were converted into investments during the year and hence reporting under paragraph 3(iii)(d) of the Order is not applicable to the Company;
 - (e) The loans granted by the Company during the year has been converted into investments in non-convertible debentures of the subsidiary company before it has fallen due;
 - (f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) according to the information and explanations given to us, the Company has not advanced any loan, made any investment, given any guarantee or provided any security to which the provisions of Sections 185 and 186 of the Companies Act, 2013 are applicable. Accordingly, reporting on paragraph 3 (iv) of the Order does not arise;
- (v) according to the information and explanations given to us, the Company has not accepted any deposits from public during the year and does not have any unclaimed deposits as at 31 March 2024. Accordingly, reporting under paragraph 3(v) of the Order does not arise;

- (vi) the Central Government has specified maintenance of cost records under section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 (as amended) for the operations of the Company. We have broadly reviewed the books of account maintained by the Company in respect of Company's services and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete
- (vii) (a) according to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company has been generally regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, professional tax, cess and any other material statutory

dues applicable to the Company during the year with appropriate authorities. According to the information and explanations given to us, there were no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income-tax, duty of customs, professional tax, cess and any other material statutory dues outstanding as at 31 March 2024 for a period of more than six months from the date they became payable;

- (b) according to the information and explanations given to us and the records of the Company examined by us, the particulars of income-tax, sales tax, service tax, value added tax, customs duty and goods and service tax as at 31 March 2024 which have not been deposited with statutory authorities on account of a dispute pending are as under:

Name of the statute	Nature of disputed dues	Amount involved in dispute (Rs. in Millions)	Unpaid disputed amount (Rs. in Millions)	Period to which amount relates	Forum where disputes are pending
Rajasthan Sales Tax Act, 1994	Tax & Penalty	0.89	0.89	2003-04, 2009-10 & 2010-11	Rajasthan High Court
Rajasthan Value Added Tax Act, 2003	Tax & Penalty	3.31	3.31	2007-08 & 2008-09	Rajasthan High Court
Karnataka Value Added Tax Act, 2003	Tax & Penalty	2.41	2.41	2007-08 to 2010-11	Various Forums
Kerala Value Added Tax Act, 2003	Tax & Penalty	9.06	6.19	2008-09, 2010-11 & 2011-12	Appellate Tribunal
Odisha Value Added Tax Act, 2005	Tax & Penalty	88.53	81.45	2016-17 & 2017-18	Deputy Commissioner – Appeals
West Bengal Value Added Tax Act, 2003	Tax & Penalty	67.44	67.40	2007-08, 2009-10, 2011-12 to 2013-14	Appellate Tribunal; Senior Joint Commissioner
Gujarat Value Added Tax Act, 2003	Tax & Penalty	80.62	79.80	2010-11, 2016-17 & 2017-18	VAT Tribunal Deputy Commissioner (Appeals)
Delhi Value Added Tax Act, 2004	Tax & Penalty	4.61	4.61	2012-13	Additional Commissioner
Telangana Value Added Tax Act	Tax	23.23	17.42	2010-11	High Court
Maharashtra Value Added Tax Act, 2005	Tax & Penalty	7.58	7.26	2013-14	Deputy Commissioner Sales Tax (Nodal Division)
Central Sales Tax Act, 1956 read with Gujarat Value Added Tax Act, 2003	Tax & Penalty	114.32	114.03	2011-12, 2016-17, 2017-18	Deputy Commissioner (Appeals)

Name of the statute	Nature of disputed dues	Amount involved in dispute (Rs. in Millions)	Unpaid disputed amount (Rs. in Millions)	Period to which amount relates	Forum where disputes are pending
Central Sales Tax Act, 1956 read with West Bengal Value Added Tax Act, 2003	Tax & Penalty	63.21	63.21	2010-11 to 2012-13	West Bengal Appellate Tribunal Senior Joint Commissioner
Service tax under Finance Act, 1994	Tax	1.46	1.46	Oct 2011 to Mar14	Central Excise and Service Tax Appellate Tribunal, Chennai
Tamil Nadu SGST Act	Tax & Penalty	13.90	13.90	2017-18	High Court
Gujarat GST Act	Tax Interest & Penalty	43.15	42.23	FY 2019-20 & 2017-18	Sales Tax Officer – Jamnagar Deputy Commissioner - Division - 11
Assam GST Act	Tax & Interest	3.77	3.59	2017-18	Asst.Commissioner of State Tax Guwhati, A-10, Guwahati Zone
Karnataka Central Tax Act	Tax & Penalty	22.42	22.42	2017-18	Karnataka High Court
Chattisgarh GST Act	Tax Interest & Penalty	2.30	2.12	2019-20 & 2017-18	Assistant Commissioner of State Tax Raipur – 5 State Tax Officer - Raipur - 5
Haryana Value Added Tax	Tax	1.21	1.21	2010-11	High Court of Punjab and Haryana
Chattisgarh VAT entry Tax and CST	Tax	2.32	2.19	2013-14	Deputy Commissioner
Jharkhand GST Act	Tax Interest & Penalty	2.70	2.70	2022-23	Assistant Commissioner Bokaro
Karnataka GST Act	Tax Interest & Penalty	35.40	35.40	2018-19	Karnataka High Court
Maharashtra GST Act	Tax Interest & Penalty	0.97	0.97	2018-19	Deputy Commissioner of State Tax
Telangana GST Act	Tax	2.82	2.54	2017-18	Assistant Commissioner Tarnaka -Secunderabad
Uttar Pradesh - GST Act	Tax Interest & Penalty	629.99	629.99	2017-18, 2018-19, 2021-22, 2022-23	Deputy Commissioner – Noida
West Bengal GST Act	Tax & Interest	6.32	6.18	2017-18 to 2022-23	Assistant Commissioner Salt Lake:24 Parganas
Commission of Customs	Tax	8	-	2014-15	Appellate Tribunal
Income Tax Act, 1961	Tax & Interest	11.49	11.49	AY 2010-11 & 2011-12	Income Tax Appellate Tribunal
Income Tax Act, 1961	Tax & Interest	121.92	121.92	AY 2017-18, AY 2018-19 AY 2020-21 to AY 2022-23	Commissioner of Income Tax (Appeals)

There are no dues in respect of duty of excise as at 31 March 2024 which have not been deposited with the statutory authorities on account of a dispute;

- (viii) based on our audit procedures and as per the information and explanations given by the management of the Company, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, reporting under paragraph 3(viii) of the Order is not applicable to the Company.
- (ix) (a) according to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings and in payment of interest to any bank during the year. With respect to debentures issued, there is no repayment due during the year and no default in payment of interest. The Company did not have any loans or borrowing from financial institutions or government during the year;
- (b) the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority;
- (c) according to the information, explanation and representation given to us, term loans were applied for the purpose for which the loans were obtained;
- (d) on an overall examination of the standalone financial statements of the Company, funds raised on short term basis have, prima facie, not been used during the year for long-term purposes by the Company;
- (e) on an overall examination of the standalone financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries;
- (f) on an overall examination of the standalone financial statements of the Company, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries or associate companies;
- (x) (a) the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under paragraph 3(x)(a) of the Order is not applicable;
- (b) during the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under paragraph 3(x)(b) of the Order is not applicable;
- (xi) (a) to the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year;
- (b) no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report;
- (c) we have taken into consideration the whistle-blower complaints received by the Company during the year, while determining the nature, timing and extent of our audit procedures;
- (xii) the Company is not a Nidhi Company. Accordingly, reporting on paragraph 3(xii) of the Order does not arise;
- (xiii) in our opinion and according to the information and explanations given to us, the Company is in compliance with sections 177 and 188 of the Act, where applicable, for all transactions with related parties undertaken during the year and the details of such related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian accounting standards;
- (xiv) (a) in our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business;
- (b) we have considered, the internal audit reports of the Company issued till date for the year under audit.
- (xv) according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with the directors during the year and hence provisions of Section 192 of the Act is not applicable to the Company;
- (xvi) (a) in our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under paragraph 3(xvi) (a), (b) and (c) of the Order is not applicable;
- (b) in our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under paragraph 3(xvi)(d) of the Order is not applicable;
- (xvii) the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year;
- (xviii) there has been no resignation of the statutory auditors of the Company during the year;

(xix) on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;

(xx) the Company has fully spent the required amount towards Corporate Social Responsibility ('CSR') and there are no

unspent CSR amount for the year requiring a transfer to a fund specified in Schedule VII to the Act or special account in compliance with the provision of sub-section (6) of section 135 of the Act. Accordingly, reporting under paragraph 3(xx) of the Order is not applicable for the year.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 24215565BKGRMQ2645

Place: Chennai
Date: 21 May 2024

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of VA Tech Wabag Limited of even date)

Independent Auditor's Report on the Internal Financial Controls with reference to financial statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls with reference to financial statements of VA Tech Wabag Limited ('the Company') as of 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. Our audit is conducted in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating

effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as of 31 March 2024, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal

control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 24215565BKGRMQ2645

Place: Chennai
Date: 21 May 2024

Balance Sheet

as at 31 March 2024

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	4	581	580
Intangible assets	4	17	16
Financial assets			
- Investments	5	1,302	951
- Trade receivables	6	5,289	5,348
- Other financial assets	7	441	496
Deferred tax assets (net)	8	390	342
Income tax assets (net)	9	245	730
		8,265	8,463
Current assets			
Inventories	10	103	102
Financial assets			
- Trade receivables	6	18,140	13,916
- Cash and cash equivalents	11	2,899	861
- Bank balances other than those mentioned in cash and cash equivalents	11	658	801
- Loans	12	-	-
- Other financial assets	7	481	443
Other current assets	13	6,599	6,136
		28,880	22,259
		37,145	30,722
Total assets			
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	124	124
Other equity	15		
- Securities premium reserve		3,939	3,939
- Reserves and surplus		10,899	8,552
		14,962	12,615
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	20	790	448
- Trade payables			
Total outstanding dues of micro enterprises and small enterprises	16	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	1,329	1,400
- Other financial liabilities	17	13	11
Provisions	18	43	39
Other non-current liabilities	19	2,598	70
		4,773	1,968
Current liabilities			
Financial liabilities			
- Borrowings	20	852	1,582
- Trade payables			
Total outstanding dues of micro enterprises and small enterprises	16	49	86
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	8,817	8,609
- Other financial liabilities	17	272	275
Other current liabilities	19	6,312	5,333
Provisions	18	932	254
Current tax liabilities (net)	21	176	-
		17,410	16,139
		22,183	18,107
Total liabilities			
Total equity and liabilities			
		37,145	30,722

Notes 1 to 46 form an integral part of the standalone financial statements

In terms of our report of even date attached

For **Sharp & Tannan**

Chartered Accountants

Firm's Registration No.: 003792S

V Viswanathan

Partner

(Membership No.: 215565)

For and on behalf of the Board of Directors of **VA Tech Wabag Limited**
Rajiv Mittal

Chairman & Managing Director

(DIN:01299110)

Milin Mehta

Director

(DIN: 01297508)

Skandaprasad Seetharaman

Chief Financial Officer

Place: Chennai

Date: 21 May 2024

Anup Kumar Samal

Company Secretary

(Membership No:F4832)

Place: Chennai

Date: 21 May 2024

Statement of Profit and Loss for the year ended 31 March 2024

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	Note	Year Ended 31 March 2024	Year Ended 31 March 2023
Income			
Revenue from operations	23	25,097	23,253
Other income	24	313	606
Total income		25,410	23,859
Expenses			
Cost of sales and services	25	19,295	17,873
Changes in inventories	26	(1)	(17)
Employee benefits expense	27	1,729	1,678
Finance costs	28	594	601
Depreciation and amortization expense	29	42	42
Other expenses	30a	591	769
Total expenses		22,250	20,946
Profit before exceptional items and tax		3,160	2,913
Exceptional items	30b	-	(2,892)
Profit before tax		3,160	21
Tax expense	31		
Current tax		851	75
Deferred tax		(49)	(67)
Profit for the year (A)		2,358	12
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Re-measurement loss or gain on defined benefit plans		(15)	(1)
- Income tax relating to items that will not be reclassified to profit and loss		4	0
Other comprehensive income for the year, net of tax (B)		(11)	(1)
Total comprehensive income for the year (A+B)		2,346	12
Earnings per equity share			
Basic & Diluted (in ₹)	32	37.91	0.20

Notes 1 to 46 form an integral part of the standalone financial statements

In terms of our report of even date attached

For and on behalf of the Board of Directors of **VA Tech Wabag Limited**

For **Sharp & Tannan**

Chartered Accountants

Firm's Registration No.: 003792S

V Viswanathan

Partner

(Membership No.: 215565)

Rajiv Mittal

Chairman & Managing Director

(DIN : 01299110)

Milin Mehta

Director

(DIN : 01297508)

Skandaprasad Seetharaman

Chief Financial Officer

Anup Kumar Samal

Company Secretary

(Membership No:F4832)

Place : Chennai

Date : 21 May 2024

Place : Chennai

Date : 21 May 2024

Statement of Cash Flows for the year ended 31 March 2024

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
A. Cash flow from operating activities		
Profit before tax and exceptional items	3,160	2,913
Exceptional items	-	(2,892)
Profit before tax	3,160	21
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization expense	42	42
Unrealized foreign exchange loss/(gain)	21	(309)
Bad and doubtful debts, net	123	336
Unclaimed credit balances	(16)	(42)
(Gain) on sale of property, plant and equipment, net	(2)	(2)
Provision for impairment	62	53
Interest expenses	187	267
Interest and dividend income	(217)	(82)
Provision for foreseeable losses on contracts	11	(1)
Provision for compensated absences and gratuity	46	34
Provision for liquidated damages	137	6
Provision for warranty	658	46
Operating profit before working capital changes	4,212	369
Changes in working capital		
(Increase) in trade receivables	(4,329)	(1,010)
(Increase)/Decrease in other financial assets	(43)	56
(Increase)/Decrease in loans and other current assets	(463)	1,153
(Increase) in inventories	(1)	(17)
Increase in trade payables	143	660
(Decrease) /Increase in other financial liabilities	(16)	11
Increase in other liabilities	3,508	1,238
(Decrease) in provisions	(184)	(41)
Cash generated from operating activities	2,827	2,419
Direct taxes paid, net	(177)	(237)
Net cash generated from/(used in) operating activities (a)	2,650	2,182
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(49)	(7)
Proceeds from sale of property, plant and equipment and intangible assets	5	5
Purchase of investments	(415)	(445)
Dividend received	102	5
Interest received	109	74
Net movement in bank deposits	204	(126)
Net cash (used in) investing activities (b)	(44)	(494)

Statement of Cash Flows for the year ended 31 March 2024

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
C. Cash flow from financing activities		
Proceeds / (Repayment) from long-term borrowings	382	(777)
Proceeds / (Repayment) from short term borrowings, net	(782)	(1,225)
Interest paid	(169)	(270)
Net cash (used in) financing activities (c)	(569)	(2,272)
D. Net change in cash and cash equivalents (a+b+c)	2,037	(584)
Effects of foreign currency translation	1	(3)
E. Cash and cash equivalents at the beginning of the year	861	1,448
F. Cash and cash equivalents at the end of the year	2,899	861
Cash and cash equivalents include		
Cheques on hand	270	312
Balances with banks		
- in current accounts	966	549
- in deposit accounts (with original maturity upto 3 months)	1,663	-
Cash and cash equivalents as per note 11	2,899	861

Notes 1 to 46 form an integral part of the standalone financial statements

In terms of our report of even date attached

For **Sharp & Tannan**

Chartered Accountants

Firm's Registration No.: 003792S

For and on behalf of the Board of Directors of **VA Tech Wabag Limited**

V Viswanathan

Partner

(Membership No.: 215565)

Rajiv Mittal

Chairman & Managing Director

(DIN :01299110)

Milin Mehta

Director

(DIN : 01297508)

Skandaprasad Seetharaman

Chief Financial Officer

Anup Kumar Samal

Company Secretary

(Membership No.:F4832)

Place : Chennai

Date : 21 May 2024

Place : Chennai

Date : 21 May 2024

Statement of Changes in Equity

 for the year ended 31 March 2024

(All amounts are in millions of Indian Rupees, unless otherwise stated)

A. Equity Share Capital (Issued, Subscribed and fully paid up)

Particulars	Note	Amount
Balance as at 01 April 2022		124
Balance as at 01 April 2023	14	124
Balance as at 31 March 2024		124

B. Other Equity

Particulars	Note	Other equity					Total
		Reserves and surplus				Securities premium reserve	
		Capital reserve	General reserve	Surplus in the statement of profit and loss	Accumulated other comprehensive income		
Balance as at 01 April 2022		25	334	8,223	(41)	3,939	12,480
Dividends		-	-	-	-	-	-
Dividend distribution tax		-	-	-	-	-	-
Transactions with owners		-	-	-	-	-	-
Profit for the year		-	-	12	-	-	12
Other comprehensive income		-	-	-	(1)	-	(1)
Total comprehensive income	15	-	-	12	(1)	-	11
Balance as at 31 March 2023		25	334	8,235	(42)	3,939	12,491
Dividends		-	-	-	-	-	-
Dividend distribution tax		-	-	-	-	-	-
Transactions with owners		-	-	-	-	-	-
Profit for the year		-	-	2,358	-	-	2,358
Other comprehensive income		-	-	-	(11)	-	(11)
Total comprehensive income		-	-	2,358	(11)	-	2,347
Balance as at 31 March 2024		25	334	10,593	(53)	3,939	14,838

Notes 1 to 46 form an integral part of the standalone financial statements

In terms of our report of even date attached

For and on behalf of the Board of Directors of **VA Tech Wabag Limited**

For **Sharp & Tannan**

Chartered Accountants

Firm's Registration No.: 003792S

V Viswanathan

Partner

(Membership No.: 215565)

Rajiv Mittal

Chairman & Managing Director

(DIN :01299110)

Milin Mehta

Director

(DIN : 01297508)

Skandaprasad Seetharaman

Chief Financial Officer

Anup Kumar Samal

Company Secretary

(Membership No:F4832)

Place : Chennai

Date : 21 May 2024

Place : Chennai

Date : 21 May 2024

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

1. Nature of Operations

VA Tech Wabag Limited ('the Company'), its subsidiaries, associates and joint venture (collectively referred to as 'the Group') is one of the world's leading companies in the water treatment sector. Company's principal activities include design, supply, installation, construction, operation and maintenance of drinking water, waste water treatment, industrial water treatment and desalination plants including production of energy from biogas and sludge management. The shares of the Company are listed in the BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'). The Company is domiciled in India and its registered office and its principal place of business is 'WABAG HOUSE', No.17, 200 Feet Thoraipakkam - Pallavaram Main Road, Sunnambu Kolathur, Chennai - 600 117, TamilNadu.

1.1 Basis of preparation of financial statements

1.1.1 General information and statement of compliance with Indian Accounting Standards ('Ind AS')

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards as per Companies (Indian Accounting Standards) Rules, 2015 including its amendments as notified under section 133 of Companies Act, 2016, as amended (the "Act") and other relevant provisions of the Act ('Ind AS'). In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

The standalone financial statements as at and for the year ended 31 March 2024 are approved and authorized for issue by the Board of Directors on 21 May 2024.

The standalone financial statements of the Company are prepared in accordance with Ind AS under the historical cost convention on the accrual basis except for certain financial assets and financial liabilities that have been measured at fair value. These standalone financial statements are presented in millions of Indian rupees which is also the Company's functional currency, except per share data and other financial information as otherwise stated. Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the figures presented in the current year.

There are no standards of accounting or any addendum thereto, prescribed by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013, which are issued and not effective as at 31 March 2024.

1.1.2 Overall considerations

The standalone financial statements have been prepared using the accounting policies and measurement basis summarized below. These accounting policies have been used throughout all periods presented in the standalone financial statements.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2. Summary of material accounting policies

2.1 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable by the Company for goods supplied and services provided, excluding trade discounts and other applicable taxes. Revenue is recognized upon transfer of control of promised goods or services under a contract.

Revenue is recognized when the amount can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Company, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Company's different activities has been met.

The Company derives revenues from two types of contracts:

Construction contracts - Customer contracts towards delivering a water treatment facility and its associated infrastructure, that is fit for purpose as per the contract

Operation and maintenance contracts - Customer contracts towards operation and maintenance of water treatment facilities and its associated infrastructure

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

The Company determines its performance obligations included in the contracts signed with customers which is general is a single performance obligation. When a customer contract includes both a construction and operation & maintenance, the performance obligations are separately identified and revenue is recognized in accordance with the principles of Ind AS 115.

Construction contracts:

Construction contracts generally involve design, supply, construction, installation and commissioning of water treatment facilities and its associated infrastructure on turnkey basis. Construction contracts include both EPC contracts (Contracts with scope of design, supply, construction, installation and commissioning) and EP contracts (Contracts with scope of design, supply, installation and commissioning).

The transaction price is usually a fixed consideration with a variable consideration on a case to case basis. Variable consideration (penalties, damages, claims, bonus etc.) is included in the transaction price to the extent it is highly probable that a significant reversal in the amount of revenue recognized will not occur.

Construction contracts usually have a single performance obligation, wherein the control of goods and services are transferred progressively over the period of the contract. The Company satisfies its performance obligation upon completing the scope of the construction contract and achieving customer acceptance.

Contract revenue and Contract costs in respect of construction contracts, execution of which is spread over different accounting periods is recognized as revenue and expense respectively by using percentage of completion method at the reporting date.

The percentage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Only costs that reflect work performed are included in cost incurred to date.

When the Company cannot measure the outcome of a contract reliably, revenue is recognized only to the extent of contract costs that have been incurred and are recoverable. In situations when it is probable that the total contract costs will exceed total contract revenues, the expected loss is recognized immediately in the statement of profit and loss.

Operation and maintenance contracts:

Operation and maintenance contracts involve operation and maintenance services for water treatment facilities and supply of spares. Revenue from operation and maintenance contracts are recognized as the services are provided and invoiced to the customer, as per the terms of the contract.

The amount due from customers for operation and maintenance contracts are presented as "Trade receivable". Prepayments received from customers in advance of performance under the contract are presented as contract liabilities and represented as "Advances from customers" as part of other current liabilities.

2.2 Dues from Customers for construction contract work and Billing in Advance of work completed

The gross amount due from customers for contract work, in excess of the amounts presented as "Trade receivable", are presented as contract assets under "Due from customers for construction contract work" as part of other current assets. Due from customers for construction contract work represents costs incurred plus recognized profits (less recognized losses) in excess of progress billing for all contracts in progress.

The gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognized profits (less recognized losses) is presented as contract liabilities under "Billing in advance of work completed" as part of other current liabilities. Amounts received from customers in advance of performance under the contract are also presented as contract liabilities and represented as "Advance from Customers" as part of other current liabilities.

2.3 Trade Receivables

Trade Receivables are recognised based on invoices submitted and certified by the customer. Trade receivables are recognized at their transaction price as the same do not contain significant financing component

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

2.4 Expected Credit Loss

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

2.5 Cost of sales and services

Cost of sales and services comprise costs that are directly related to the contract, attributable to the contract activity in general and such costs that can be allocated to the contract and specifically chargeable to the customer under the terms of the contracts, which is charged to the statement of profit and loss.

Costs related to construction contracts incurred towards engineering, construction, installation and supervision of the project is recognised in the period in which the relevant services are procured or delivered to the project.

Equipments, fabricated Items & specialised items for the purpose of construction of water treatment facilities are manufactured by suppliers based on the engineering drawings and specifications approved by the customers. Costs related to construction contracts incurred towards procurement of equipment's, fabricated Items & specialised items are recognised over the production and delivery cycle of each such item, in line with the manufacturing progress milestones

2.6 Trade Payables

Trade Payables are recognised based on invoices submitted by the Suppliers and Sub-Contractors to the Company on reaching the milestones as prescribed in the relevant Purchase/Work orders.

2.7 Unbilled payables

Costs incurred representing progress of work done, on the reporting date, pending invoicing by the suppliers, are disclosed under "Unbilled Payables" as part of other current liabilities.

2.8 Significant Management judgement in applying accounting policies and estimation uncertainty

When preparing the standalone financial statements, management makes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

(i) Significant management judgments

The following is significant management judgments in applying the accounting policies of the Company that have the most significant effect on the standalone financial statements.

Recognition of construction contract and operation & maintenance revenues

Recognizing construction contract revenue requires significant judgement in determining actual work performed and the estimated costs to complete the work (refer note 23). Significant judgments are used in:

- a. Estimating the revenue to be recognised in case of construction contracts where revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation as the performance obligation is satisfied over a period of time.
- b. Assessing the amount and period with respect to the variable consideration, requiring an adjustment to the transaction price.

Recognizing revenue from operation and maintenance services requires significant understanding, based on historical experience and knowledge of the market, in relation to:

- a. The nature and timing of the services provided to the customers
- b. The pattern of consumption of those services.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

3. Summary of other Accounting policies

3.1 Investments in subsidiaries, associates, joint venture and joint operations

Investments in subsidiaries, associates and joint venture are accounted at cost less impairment, if any. Investments in joint operations are accounted by using proportionate consolidation method in the standalone financial statements. The Company does not have any investments in joint operations for the year ended 31 March 2024.

3.2 Foreign currency translation

Functional and presentation currency

The standalone financial statements are presented in Indian Rupees, which is also the functional currency of the Company.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Company, using the exchange rates prevailing at the dates of the transactions, duly approximated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the measurement of monetary items denominated in foreign currency at year-end exchange rates are recognized as other income/other expenses in statement of profit and loss.

Non-monetary items are not re-translated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

3.3 Interest, Dividends, duty drawback and other entitlements

Income from interest is recognized using effective interest method taking into account the amount outstanding and the applicable rate of interest.

Dividend income is recognized when the right to receive dividend is established by the reporting date.

Income from duty drawback and export benefit under duty free credit entitlements is recognized in the statement of profit and loss, when right to receive license as per terms of the scheme is established in respect of exports made and there is no significant uncertainty regarding the ultimate collection of the export proceeds, as applicable.

3.4 Property, plant and equipment

Land

Land (other than investment property) held for use in operations or administration is stated at cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

Buildings and other equipment

Buildings and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers and vehicles) are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Company's management. Buildings and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses.

Advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work in progress.

Subsequent expenditure incurred on an item of property, plant and equipment is added to the book value of that asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation on assets is provided on straight-line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except for vehicles where the management believes that the useful life of 5 years would best represent the period over which the management expects to use these assets and the residual value is 20% of the acquisition cost which is considered to be the amount recoverable at the end of the asset's useful life.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in statement of profit and loss within other income or other expenses.

The components of assets are capitalized only if the life of the components vary significantly and whose cost is significant in relation to the cost of respective asset. The life of components are determined based on technical assessment and past history of replacement of such components in the assets.

3.5 Intangible assets

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

Computer software is stated at cost less accumulated amortization and are being amortized on a straight line basis over the estimated useful life of 5 years.

Amortization is included within depreciation and amortization expense in the statement of profit and loss.

Gains or losses that arise on disposal or retirement of an intangible asset are measured as the difference between net disposal proceeds and the carrying value of an intangible asset and are recognized in the statement of profit and loss when the intangible asset is derecognized.

The amortization period and method are reviewed at each balance sheet date. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment as detailed in note 3.6.

3.6 Impairment of property, plant and equipment and intangible assets

For the purpose of impairment assessment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill (if any) is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Company at which management monitors goodwill.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the assets' (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro-rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the assets' or cash-generating unit's recoverable amount exceeds its carrying amount.

3.7 Leases

The Company recognizes lease contracts as per the single lease accounting model for lessees. The model requires a lessee to recognize right to use assets and corresponding lease liabilities for all leases with a lease term of more than twelve months, unless the underlying asset is of a low value. For such leases the lease payments are recognized as an operating expense on a straight line basis over the term of the lease contract.

The recognition, measurement, presentation and disclosure of leases are in accordance with the principles of the standard. At the time of initial measurement, the lease liabilities are recognized at the present value of lease payments payable. The lease liability is discounted at the interest rate implicit to the lease, or incremental borrowing rate to arrive at the present value. The lease liabilities are diluted over the remaining lease period by lease payments. The right to use assets are initially recognized at lease liability amount.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

The right to use assets are thereafter depreciated over the period of lease term or the useful life of underlying asset whichever is lower. An impairment loss is recognised where the carrying amount of right to use asset exceeds its recoverable amount.

The Company determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis.

3.8 Financial instruments

Financial assets (other than trade receivables) and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through statement of profit and loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

a) Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

- a. Amortized cost
- b. Fair Value Through Other Comprehensive Income (FVTOCI) or
- c. Fair Value Through Profit or Loss (FVTPL)

All financial assets are reviewed for impairment at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets are impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

b) Financial assets at amortized cost

A financial asset is subsequently measured at amortized cost using effective interest rate if it is held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next twelve months and credit risk exposure. The Company shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition.

c) Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Company, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These elections are made on an instrument-by instrument (i.e., share-by-share) basis. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognized in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next twelve months and credit risk exposure. The Company shall also measure the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. The loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

d) Financial assets at Fair Value Through Profit or Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in statement of profit and loss. The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next twelve months and credit risk exposure. The Company shall also measure the loss allowance for a financial asset at an amount equal to the lifetime expected credit losses if the credit risk on that financial asset has increased significantly since initial recognition. The loss allowance shall be recognized in the statement of profit and loss.

e) Hedge accounting

To qualify for hedge accounting, the hedging relationship must meet the conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness.

These arrangements have been entered into to mitigate currency exchange risk arising from certain legally binding sales and purchase orders denominated in foreign currency. For the reporting periods under review, the Company has not designated any forward currency contracts as hedging instruments.

f) De recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Company's standalone balance sheet) when:

- i. the rights to receive cash flows from the asset have expired, or
- ii. the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

g) Classification, subsequent measurement and derecognition of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortized cost. The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Subsequent measurement

Financial liabilities are measured subsequently at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in statement of profit and loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognized less cumulative amortization.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in statement of profit and loss are included within finance costs or finance income.

Derecognition

A financial liability is derecognized 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 recognized in the statement of profit and loss.

3.9 Inventories

Inventory of stores and spares are stated at lower of cost and net realizable value and is determined on weighted average cost method. Cost of inventories include all other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost to completion and applicable selling expenses.

Contract inventories are contract costs incurred for a future activity on a contract and are recognized as an asset if it is probable that they would be recovered. The cost comprises of material and other expenses directly attributable to the contract.

3.10 Income taxes

Tax expense recognized in statement of profit and loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted as at the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognized in other comprehensive income are also disclosed under the same head.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax liabilities are generally recognized in full, although Ind AS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Company does not recognize deferred tax liability on temporary differences relating to goodwill, or to its investments in subsidiaries.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in statement of profit and loss, except where they relate to items that are recognized in other comprehensive income (such as re-measurement of net defined benefit plans) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

3.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within three months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.12 Equity, reserves and dividend payments

Share capital represents the nominal (par) value of shares that have been issued and paid-up.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Other components of equity include the following:

- i. Accumulated other comprehensive income which includes re-measurement of net defined benefit liabilities.
- ii. General reserve represents the accumulated surplus transferred from the Statement of profit and loss
- iii. Securities premium reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from securities premium, net of any related income tax benefits.
- iv. Surplus in the statement of profit and loss includes all current and previous period retained profits.
- v. Stock option outstanding account includes the value of equity-settled share based payment transactions with employees.

All transactions with owners are recorded separately within equity.

3.13 Post-employment benefits and short-term employee benefits

i. Short term Employee Benefits

Employee benefits such as salaries, wages, short-term compensated absences, bonus, ex-gratia and performance-linked rewards falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the service.

ii. Post-Employee Benefits

A. Defined contribution plan

The Company's superannuation scheme, state governed provident fund scheme and employee state insurance scheme are defined contribution plans. The contribution paid/payable under the schemes is recognised as an expense during the period in which the employee renders the service. The Company has no legal or constructive obligations to pay contributions in addition to its fixed contributions.

a. Provident fund and Employee state insurance scheme

The Company makes contributions to the statutory provident fund and employee state insurance scheme in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948. These contributions, paid or payable, are recognized as expenses in the period in which it falls due.

b. Superannuation Fund

Contribution made towards superannuation fund (funded by payments to insurance company) is charged as expenses on accrual basis. There are no obligations other than the contribution made to respective fund.

B. Defined benefit plans

Under the Company's defined benefit plans, the amount of benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Company, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The defined benefit plans maintained by the Company are as below:

i. Gratuity

The liability recognized in the statement of financial position for defined benefit plans is the present value of the Defined Benefit Obligation (DBO) at the reporting date less the fair value of plan assets. Management estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related gratuity liability.

Service cost on the Company's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

The plan assets represent qualifying insurance policies that are administered by an Insurance company.

ii. Leave salary - compensated absences

The Company also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on actuarial valuation basis.

3.14 Provisions, contingent assets and contingent liabilities

Provisions for warranties, litigations or other claims are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company is virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities if the outflow of resources is remote.

The Company does not recognize contingent assets unless the realization of the income is virtually certain, however these are assessed continually to ensure that the developments are appropriately disclosed in the standalone financial statements.

3.15 Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares), if any. For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

3.16 Cash flow statement

Cash flows are reported using the indirect method, whereby profit/(loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and other short-term highly liquid investments with original maturities of 3 months or less, as applicable.

3.17 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

3.18 Significant management judgment in applying accounting policies and estimation uncertainty

When preparing the standalone financial statements, management makes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

(i) Significant management judgment

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the standalone financial statements.

Recognition of deferred tax assets

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate

Inventories

Management estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Defined Benefit Obligation (DBO)

Management's estimate of the DBO is based on a number of critical underlying assumptions such as attrition rate, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (Refer note 18).

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Fair value measurement

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

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

Management uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (refer Note 38).

Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Considering the nature of business activities of the Company, the time between deploying of resources for projects/ contracts and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current or non-current classification of assets and liabilities

3.19 Transfer Pricing

As per the Transfer pricing norms introduced in India with effect from 1 April 2001, the Company is required to use certain specific methods in computing arm's length price of international transactions with associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The Transfer pricing study for the fiscal year ended 31 March 2024 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Management, the outcome of the study will not have a material impact on the Company's results.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

4. Property, Plant and Equipment and Intangible Assets

Particulars	Property, plant and equipment										Intangible assets	
	Freehold land	Buildings	Right to Use Asset	Plant and machinery	Furniture and fittings	Electrical equipment	Office equipment	Computers	Vehicles	Total	Computer software	
Gross carrying value												
Balance as at 01 April 2022	170	403	12	37	203	55	62	55	24	1,022	118	
Additions	-	-	-	-	-	0	0	0	2	2	5	
Disposals	-	-	-	-	-	-	-	-	(11)	(11)	-	
Balance as at 31 March 2023	170	403	12	37	203	55	62	56	15	1,013	123	
Additions	-	-	-	-	0	0	2	22	22	44	5	
Disposals	-	-	(12)	-	-	-	-	(24)	(3)	(39)	-	
Balance as at 31 March 2024	170	403	-	37	203	56	64	51	34	1,018	128	
Accumulated depreciation/ amortization												
Balance as at 01 April 2022	-	47	12	18	160	44	61	52	9	403	105	
Depreciation/amortization expense for the year	-	7	-	2	20	5	1	2	3	40	2	
Reversal on disposal of assets	-	-	-	-	-	-	-	-	(10)	(10)	-	
Balance as at 31 March 2023	-	54	12	20	180	49	62	54	2	433	107	
Depreciation/amortization expense for the year	-	7	-	2	19	5	0	3	2	38	4	
Reversal on disposal of assets	-	-	(12)	-	-	-	-	(22)	-	(34)	-	
Balance as at 31 March 2024	-	61	-	22	199	54	62	35	4	437	111	
Net carrying value												
Balance as at 31 March 2023	170	349	-	17	23	7	-	1	13	580	16	
Balance as at 31 March 2024	170	342	-	15	4	2	2	16	30	581	17	

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

5. Investments

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Investments carried at cost		
Investments in equity instruments of subsidiaries (fully paid-up)		
VA Tech Wabag (Singapore) Pte Ltd (5,210,249 (Previous year : 5,210,249) equity shares of SGD 1 each)	210	210
VA Tech Wabag Muscat LLC (Oman) (105,000 (Previous year : 105,000) equity shares of OMR 1 each)	12	12
VA Tech Wabag (Philippines) Inc. (8,570,200 (Previous year: 8,570,200) equity shares of PHP 1 each)	9	9
Wabag Limited (Thailand) ^{##} (Nil (Previous year : 29,400) equity shares of THB 34.0136 each)	-	2
Less: Provision for impairment of investment in Wabag Limited (Thailand)	-	(2)
VA Tech Wabag and Roots Contracting LLC, (Qatar) [#] (98 (Previous year : 98) equity shares of QAR 1,000 each)	-	-
Wabag Muhibbah JV SDN BHD, (Malaysia) (20,690,000 (Previous year : 20,690,000) equity shares of MYR 1 each)	372	372
Less: Provision for impairment of investment in Wabag Muhibbah JV SDN BHD, (Malaysia)	(273)	(209)
Wabag Belhasa JV WLL, (Bahrain) ^{### , *****} (49 (Previous year : 49) equity shares of BHD 50 each)	0	0
DK Sewage Project Private Limited [§] (3,589,999 (Previous Year: 3,589,999) equity shares of ₹10 each)	-	36
Ghaziabad Water Solutions Private Limited (1,709,999 (Previous Year: 1,709,999) equity shares of ₹10 each)	17	17
Kopri Bio Engineering Private Limited ^{**** , \$\$\$} (5,100 (Previous Year: 5,100) equity shares of ₹10 each)	-	-
	347	447
Investments in compulsory convertible preference shares of associate (fully paid-up)		
Ganga STP Project Private Limited (9,699,000 (Previous year : 9,699,000) compulsory convertible preference shares of ₹10 each)	97	97
	97	97
Investments in equity instruments of associates (fully paid-up)		
Ganga STP Project Private Limited (50,999 (Previous year : 50,999) equity shares of ₹10 each)	0	0
DK Sewage Project Private Limited [§] (3,589,999 (Previous Year: 3,589,999) equity shares of ₹10 each)	36	-
VA Tech Wabag and Roots Contracting LLC, (Qatar) [#] (98 (Previous year : 98) equity shares of QAR 1,000 each)	2	2
	38	2
Investments carried at fair value through profit and loss		
Investments in equity instruments of other companies (fully paid-up)		
First STP Private Limited (150,000 (Previous year :150,000) equity shares of ₹10 each)	2	2

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

5. Investments *Contd.*

Particulars	As at 31 March 2024	As at 31 March 2023
Konark Water Infraprojects Private Limited *	-	-
(5,000 (Previous year : 5,000) equity shares of ₹10 each)		
Aurangabad City Water Utility Company Limited**	-	-
(5,000 (Previous year : 5,000) equity shares of ₹10 each)		
Ganapati Marine Enterprises Private Limited ***	-	-
(769 (Previous Year: 419) equity shares of ₹10 each)		
Kopri Bio Engineering Private Limited ****, \$\$	-	-
(5,100 (Previous Year: 5,100) equity shares of ₹10 each)		
	2	2
Investments in Non Convertible Debentures		
Ganga STP Project Private Limited	85	85
(8,515,000 (Previous year : 8,515,000) 9% Non convertible debentures of ₹10 each)		
DK Sewage Project Private Limited [§]	191	108
(19,080,000 (Previous year : 10,730,000) 8% Non convertible debentures of ₹10 each)		
Ghaziabad Water Solutions Private Limited	495	210
(49,550,000 (Previous year : 21,000,000) 8% Non convertible debentures of ₹10 each)		
	771	403
Investments in Compulsory Convertible Debentures		
DK Sewage Project Private Limited [§]	47	-
(4,65,000 (Previous year : Nil) 8% Compulsory convertible debentures of ₹10 each)		
	47	-
Total non-current investments	1,302	951
Aggregate amount of unquoted investments	1,575	1,162
Aggregate amount of impairment in the value of investments	273	211

*Since the amount of investment is ₹50,000 (Previous year: ₹50,000), the same is below the rounding off norm adopted by the Company.

**Since the amount of investment is ₹50,000 (Previous year: ₹50,000), the same is below the rounding off norm adopted by the Company.

***Since the amount of investment is ₹7,690 (Previous year: ₹4,190), the same is below the rounding off norm adopted by the Company.

****Since the amount of investment is ₹51,000 (Previous year: ₹51,000), the same is below the rounding off norm adopted by the Company.

***** Since the amount of investment is ₹ 438,550 (Previous year: ₹438,550), the same is below the rounding off norm adopted by the Company.

Particulars	As at 31 March 2024	As at 31 March 2023
Extent of investment in subsidiaries		
VA Tech Wabag (Singapore) Pte Ltd	100.0%	100.0%
VA Tech Wabag Muscat LLC (Oman)	70.0%	70.0%
VA Tech Wabag (Philippines) Inc.	100.0%	100.0%
Wabag Limited (Thailand) ##	0.0%	49.0%

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

5. Investments *Contd.*

Particulars	As at 31 March 2024	As at 31 March 2023
VA Tech Wabag and Roots Contracting LLC, (Qatar) #	-	-
Wabag Muhibbah JV SDN BHD, (Malaysia)	70.0%	70.0%
Wabag Belhasa JV WLL, (Bahrain) ###	49.0%	49.0%
Ghaziabad Water Solutions Private Limited	100.0%	100.0%
Kopri Bio Engineering Private Limited (Subsidiary upto 04 July 2023)\$§	51.0%	51.0%
Extent of investment in associates		
VA Tech Wabag and Roots Contracting LLC, (Qatar) #	49.0%	49.0%
Ganga STP Project Private Limited	26.0%	26.0%
DK Sewage Project Private Limited (Associate effective 29 March 2024) §	49.8%	100.0%

#Pursuant to an exclusive contractual arrangement providing for a majority share in the economic interests and control of voting power in the Project-I of VA Tech Wabag and Roots Contracting L.L.C, Qatar, the investment was classified as a subsidiary at inception. During the year ended 31 March 2016 and 31 March 2020 for Project-II and Project-III respectively, a similar arrangement providing for majority rights in the new projects to the other investor was agreed and hence the investment in the legal entity has been accordingly reclassified as an associate based on economic interests in the projects respectively as against the ownership in the entity.

The investments in Wabag Limited (Thailand) has been fully impaired during the previous year and has been liquidated on 03 November 2023.

Pursuant to an exclusive contractual arrangement providing for a share of 100% of the economic interests in the entity, Wabag Belhasa JV WLL, (Bahrain) has assessed and determined that it has power over the entity, exposure, or rights, to variable returns and the ability to use its power to affect the amount of returns of the Wabag Belhasa JV WLL, (Bahrain). Accordingly, the investment has been classified as a subsidiary.

The Company had entered into a joint venture with Pratibha Industries Limited in Nepal to execute a project. Considering the fact that the Company has control over the governing body and thereby has power over the entity, has rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of its returns, the same has been treated as a subsidiary in the consolidated financial statements.

§DK Sewage Project Private Limited was incorporated on 26 September 2019 as a project specific entity. The Company has entered into a Share Holder's Agreement with Madhya Pradesh Waste Management Private Limited ("MPWMPL") on 29 March 2024 for subscription of the Company's Securities. Debenture application money of ₹153.5 million was received. Pursuant to this agreement, the control has been transferred to MPWMPL as on 29 March 2024 hence the entity been treated as associates, instead of subsidiary as on reporting date.

§§Kopri Bio Engineering Private Limited has been incorporated on 27 November 2020 as a project specific entity. As the Company doesn't have the control neither on the activity nor with management, hence deconsolidation been done with effective from 04 July 2023

6. Trade Receivables

Particulars	As at 31 March 2024	As at 31 March 2023
(Unsecured considered good, unless stated otherwise)		
Non-current		
Trade receivables	-	-
Customer retention	5,289	5,348
	5,289	5,348

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

6. Trade Receivables *Contd.*

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Trade receivables	17,950	13,678
Customer retention	190	238
	18,140	13,916
Credit impaired		
- Trade receivables	683	675
- Customer retention	285	195
Less : Allowances for expected credit loss		
- Trade receivables	(683)	(675)
- Customer retention	(285)	(195)
	18,140	13,916

Trade receivables include dues from related parties amounting to ₹1,144 Millions (31 March 2023: ₹1,891 Millions). The carrying amount of the current trade receivable and customer retention is considered a reasonable approximation of fair value as is expected to be collected within twelve months, such that the effect of any difference between the effective interest rate applied and the estimated current market rate is not significant.

There are no receivables due from directors or other officers of the Company.

All of the Company's trade receivables and customer retention have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of ₹98 Millions (2022-23: ₹229 Millions) has been created/(utilised) respectively within other expenses. The Company has provided for expected credit loss on its trade receivables using a provisioning matrix and specific provisioning, where appropriate, representing expected credit losses based on a range of outcomes.

Movement in allowances for expected credit loss

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Balance at the beginning of the year	870	641
Additions during the year, net	98	229
Balance at the end of the year	968	870

Ageing for trade receivables - billed – Non current outstanding as at 31 March 2024 is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables – considered good	4,285	-	-	-	-	-	4,285
ii) Undisputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables- Credit Impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables considered good	1,004	-	-	-	-	-	1,004
v) Disputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	227	-	-	-	-	-	227
Total	5,516	-	-	-	-	-	5,516
Less: Allowance for expected credit loss							(227)
Trade Receivables - Non Current							5,289

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

6. Trade Receivables *Contd.*

Ageing for trade receivables - billed – Non current outstanding as at 31 March 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables – considered good	4,100	-	-	-	-	-	4,100
ii) Undisputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables considered good	1,248	-	-	-	-	-	1,248
v) Disputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Total	5,348	-	-	-	-	-	5,348

Ageing for trade receivables - billed – current outstanding as at 31 March 2024 is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables – considered good	6,189	7,130	2,266	1,476	677	268	18,006
ii) Undisputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - Credit Impaired	12	1	90	158	44	243	548
iv) Disputed Trade Receivables considered good	-	-	-	82	52	-	134
v) Disputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	26	26	141	193
Total	6,201	7,131	2,356	1,742	799	652	18,881
Less: Allowance for expected credit loss							(741)
Trade Receivables - Current							18,140

Ageing for trade receivables - billed – current outstanding as at 31 March 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables – considered good	6,193	3,529	1,891	1,744	302	135	13,794
ii) Undisputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	-

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

6. Trade Receivables *Contd.*

Ageing for trade receivables - billed –current outstanding as at 31 March 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
iii) Undisputed Trade Receivables- Credit Impaired	-	-	72	102	53	367	594
iv) Disputed Trade Receivables considered good	-	-	-	95	23	4	122
v) Disputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	21	14	241	276
Total	6,193	3,529	1,963	1,962	392	747	14,786
Less: Allowance for expected credit loss							(870)
Trade Receivables - Current							13,916

7. Other Financial Assets (Unsecured, considered good)

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Security deposits	375	369
Advances to employees	2	2
Non-current bank balances	64	125
	441	496
Current		
Security deposits	89	109
Tender deposits	89	17
Rental deposits	18	17
Dues from related parties (Also refer note 37(c))	278	295
Advances to employees	7	5
	481	443

Non-current bank balances represents interest bearing deposits with bank with more than 12 months maturity and held as margin money or security against the borrowings, guarantees and other commitments.

There are no other financial assets due from directors or other officers of the Company. The carrying amount of the other financial assets are considered as a reasonable approximation of fair value.

Refer note 39 for description of the Company's financial instrument risks, including risk management objectives and policies.

8. Deferred Tax Assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
The breakup of net deferred tax asset is as follows:		
Deferred tax asset arising on account of :		
- Provision for employee benefits, liquidated damages and foreseeable losses	18	13
- Allowances for expected credit loss	332	308
- Others	74	54
Total deferred tax asset	424	375

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

8. Deferred Tax Assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Deferred tax liability arising on account of :		
- Carrying value of property, plant and equipment /intangible assets as per tax laws and books.	(34)	(33)
Total deferred tax liability	B (34)	(33)
Net deferred tax assets	(A+B) 390	342

Deferred tax recognized in statement of profit and loss and other comprehensive income for the year ended 31 March 2024:

Particulars	Recognised in Other comprehensive Income	Recognised in statement of profit and loss
Deferred tax asset arising on account of :		
- Provision for employee benefits, liquidated damages and foreseeable losses	-	6
- Allowances for expected credit loss	-	24
- Others	-	20
Deferred tax liability arising on account of :		
- Carrying value of property, plant and equipment /Intangible assets as per tax laws and books.	-	-
- Others	-	(1)
Total	-	49

Deferred tax recognized in statement of profit and loss and other comprehensive income for the year ended 31 March 2023:

Particulars	Recognised in Other comprehensive Income	Recognised in statement of profit and loss
Deferred tax asset arising on account of :		
- Provision for employee benefits, liquidated damages and foreseeable losses	-	(0)
- Allowances for expected credit loss	-	55
- Others	-	13
Deferred tax liability arising on account of :		
- Carrying value of property, plant and equipment /Intangible assets as per tax laws and books.	-	(1)
- Others	-	-
Total	-	67

In assessing the recoverability of deferred tax assets, the management of the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

All deferred tax assets have been recognized in the balance sheet.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

9. Income tax assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Income tax assets net of provision for tax	245	730
	245	730

10. Inventories

Particulars	As at 31 March 2024	As at 31 March 2023
Contract inventories	9	2
Stores and spares	94	100
	103	102

11. Cash and Bank Balances

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents		
Cheques on hand	270	312
Balances with banks		
- in current accounts [#]	966	549
- in deposit accounts (with original maturity upto 3 months) [#]	1,663	-
	2,899	861
Bank balances other than mentioned in cash and cash equivalents		
Unpaid dividend account	0	1
Deposits with maturity less than 3 months [#]	210	176
Deposits with maturity more than 3 months but less than 12 months [#]	448	624
	658	801

[#] Deposits and balance with banks includes a sum of ₹1,173 Millions (31 March 2023 ₹1,172 Millions) held as margin money/in escrow account or security against the borrowings, guarantees and other commitments.

12. Loans (Unsecured, considered good)

Particulars	As at 31 March 2024	As at 31 March 2023
Current		
Loans to related parties net of provision (Also refer note 37(c))	-	-
	-	-

Loan given to Wabag Limited (Thailand) has been fully written off as the subsidiary liquidated on 03 November 2023

13. Other current assets (Unsecured, considered good)

Particulars	As at 31 March 2024	As at 31 March 2023
Dues from customers for construction contract works*	5,433	3,984
Advance to suppliers	942	1,392
Balances with government authorities	13	534
Duty drawback and other duty free credit entitlement receivable	0	10
Prepaid expenses	124	157
Others	87	59
	6,599	6,136

* Includes allowance for expected credit loss amounting to ₹142 Millions (31 March 2023 : ₹132 Millions)

There are no advances due from directors or other officers of the Company.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

14. Equity Share Capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Authorised				
Equity shares of ₹2 each	7,50,00,000	150	7,50,00,000	150
Issued, subscribed and fully paid up				
Equity shares of ₹2 each	6,21,90,428	124	6,21,90,428	124
	6,21,90,428	124	6,21,90,428	124

a) Reconciliation of share capital (Equity)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Balance at the beginning of the year	6,21,90,428	124	6,21,90,428	124
Issue of share capital	-	-	-	-
Balance at the end of the year	6,21,90,428	124	6,21,90,428	124

b) Shareholders holding more than 5% of the aggregate shares in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	% holding	Number	% holding
Equity Shares of 2 each				
Mr. Rajiv Mittal	97,09,406	15.6%	97,09,406	15.6%
Ms. Rekha Rakesh Jhunjhunwala	50,00,000	8.0%	50,00,000	8.0%
	1,47,09,406	23.6%	1,47,09,406	23.6%

c) Shares held by promoters of the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	% holding	Number	% holding
Mr. Rajiv Mittal	97,09,406	15.6%	97,09,406	15.6%
Mr. S Varadarajan	21,85,762	3.5%	21,85,762	3.5%
	1,18,95,168	19.1%	1,18,95,168	19.1%

d) Terms/right attached to equity shares

The Company has issued only one class of equity shares having a face value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which can be approved by the Board of Directors. In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Shares reserved for issue under options

i) Terms and details of the ESOP scheme:

During the year, the Company issued New ESOP Series “Wabag Centenary Stock Option Scheme”, the terms and details of which are summarised below.

Particulars	Scheme details
a. Date of Shareholders' approval	30 January 2024
b. Total number of options approved under ESOP Scheme	25,00,000

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

14. Equity Share Capital *Contd.*

Particulars	Scheme details
c. Vesting Period & Exercise period	Vesting period: Minimum period of 1 Year and maximum period of 4 Years from Grant Date Exercise period: Maximum period of 3 Years from the respective Vesting Date
d. Pricing formula	Exercise Price shall be as determined by the Nomination and Remuneration Committee as on the date of Grant, which shall be up to 25% discount to Market Price. However, the exercise price shall not be lesser than the face value of shares.
e. Maximum term of options granted	4 Years
f. Source of shares (primary, secondary or combination)	Primary
g. Variation in terms of options	Not applicable
h. Method of settlement	Equity Shares
i. Total number of options granted under ESOP Scheme in 1 st tranche and exercise price of the same	15,00,000 (Grant Date : 21 March 2024) INR 513
j. Method used to account for ESOP Scheme - 2023 (Intrinsic or fair value)	The Company uses the fair value-based method of accounting for stock options granted.
k. Method used & assumptions made to incorporate effects of expected early exercise	Black-Sholes Options Pricing Model
l. How expected volatility was determined, including explanation of the extent to which expected volatility was based on historical volatility	The expected price volatility is based on the historic volatility of the company's share price.
m. Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition.	Not applicable

ii) Options movement during the year

Particulars	No of stock options
Number of options outstanding at the beginning of the year	Nil
Number of options granted during the year	15,00,000
Number of options allotted during the year	Nil
Number of options lapsed during the year	Nil
Number of options outstanding at the end of the year	15,00,000
Money realized by exercise of options (₹), as scheme is implemented directly by the Company	Nil

f) Buy back of shares

There were no buy back of shares and no shares issued pursuant to contract without payment being received in cash during the last 5 years immediately preceding 31 March 2024

g) Capital management

The Company's capital management objectives are:

- to safeguard the Company's ability to continue as a going concern, and continue to provide optimum returns to the shareholders and all other stakeholders by building a strong capital base.
- to maintain an optimum capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

14. Equity Share Capital *Contd.*

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders plus its borrowings, if any, less cash and bank balances.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The amounts managed as capital by the Company for the reporting periods under review are summarized as follows:

Particulars		As at 31 March 2024	As at 31 March 2023
Borrowings		1,642	2,030
Less: Cash and bank balances		(3,621)	(1,787)
Net debt	(A)	(1,979)	243
Total equity	(B)	14,962	12,615
Total equity and net debt	(C=A+B)	12,983	12,857
Gearing ratio	(A/C)	(15.2%)	1.9%

15. Other Equity

Particulars		As at 31 March 2024	As at 31 March 2023
Securities premium reserve			
Balance at the beginning of the year		3,939	3,939
Add : Additions made during the year		-	-
Balance at the end of the year		3,939	3,939

Securities premium account is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Act.

Particulars		As at 31 March 2024	As at 31 March 2023
Capital reserve			
Balance at the beginning of the year		25	25
Add : Additions made during the year		-	-
Balance at the end of the year		25	25

Any profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments is transferred to capital reserve.

Particulars		As at 31 March 2024	As at 31 March 2023
General reserve			
Balance at the beginning of the year		334	334
Add : Transfer from stock option outstanding account		-	-
Balance at the end of the year		334	334

General reserve represents an appropriation of profits by the Company.

Particulars		As at 31 March 2024	As at 31 March 2023
Surplus in the statement of profit and loss			
Balance at the beginning of the year		8,235	8,223
Add : Transfer from statement of profit and loss		2,358	12
Balance at the end of the year		10,593	8,235

Surplus in the statement of profit and loss comprises of prior years' undistributed earnings after taxes.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

15. Other Equity *Contd.*

Particulars	As at 31 March 2024	As at 31 March 2023
Accumulated other comprehensive income		
Balance at the beginning of the year	(42)	(41)
Add : Transfer from other comprehensive income	(11)	(1)
Balance at the end of the year	(53)	(42)
Total other equity	14,838	12,491

16. Trade Payables

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Dues to micro and small enterprises (Also, refer note (a) below)	-	-
Dues to others	1,329	1,400
	1,329	1,400
Current		
Dues to micro and small enterprises (Also refer note (a) below)	49	86
Dues to others	8,817	8,609
	8,866	8,695

Ageing for trade payables - billed – Non current outstanding as at 31 March 2024 is as follows:

Particulars	Outstanding for following periods from due date of payments					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	1,329	-	-	-	-	1,329
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
Total	1,329	-	-	-	-	1,329

Ageing for trade payables - billed – Non current outstanding as at 31 March 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	1,400	-	-	-	-	1,400
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
Total	1,400	-	-	-	-	1,400

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

16. Trade Payables *Contd.*

Ageing for trade payables - billed – Current outstanding as at 31 March 2024 is as follows:

Particulars	Outstanding for following periods from due date of payments					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	24	17	3	3	2	49
Others	3,071	4,440	284	182	838	8,815
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	0	1	-	-	1	2
Total	3,095	4,458	287	185	841	8,866

Ageing for trade payables - billed – Current outstanding as at 31 March 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	33	42	8	3	0	86
Others	4,218	3,019	346	506	487	8,576
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	13	-	-	2	18	33
Total	4,264	3,061	354	511	505	8,695

The carrying values of trade payables are considered to be a reasonable approximation of fair value.

- a) Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:

Particulars	As at 31 March 2024	As at 31 March 2023
i) Principal amount remaining unpaid	49	86
ii) Interest due thereon	6	5
iii) Interest paid by the Company in terms of Section 16 of MSMED Act, 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
iv) Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
v) Interest accrued and remaining unpaid as at the year end	6	5
vi) Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-

The above disclosure has been determined to the extent such parties have been identified on the basis of information available with the Company.

- b) Unclaimed credit balances amounting to ₹16 Million (2022-23: ₹42 Million) during the year have been reversed from trade payables.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

17. Other Financial Liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Employee related payables	13	11
	13	11
Current		
Dues to related parties	35	25
Unpaid dividends	0	1
Employee related payables	227	247
Interest payables and others	10	2
	272	275
Total financial liabilities	285	286
Financial liabilities carried at amortized cost	285	286
Financial liabilities carried at fair value through profit and loss	-	-

18. Provisions

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Provisions for employee benefits		
- Compensated absences	43	39
	43	39
Current		
Provision for warranty	859	209
Provision for liquidated damages	-	-
Provision for foreseeable losses on contracts	11	0
Provisions for employee benefits		
- Gratuity	24	10
- Compensated absences	38	35
	932	254

a) Provision for warranty

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Balance at the beginning of the year	209	163
Provided/(Reversed) during the year, net	658	46
Utilised during the year	(8)	-
Balance at the end of the year	859	209

A provision is recognized for expected warranty claims on construction contracts completed, based on past experience of level of repairs and returns. It is expected that these costs would be predominantly incurred within one year from the balance sheet date, which generally coincides with the completion of warranty period of the contracts. The assumption used to calculate the provision for warranties are based on the Company's current status of contracts under execution and information available about expenditure estimated to be incurred based on the Company's warranty period for contracts completed.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

18. Provisions *Contd.*

b) Provision for liquidated damages

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Balance at the beginning of the year	-	-
Created during the year, net	137	6
Utilised during the year	(137)	(6)
Balance at the end of the year	-	-

The Company provides for liquidated damages when it reasonably expects that a delay in the completion of the project or a shortfall in the performance parameters might give rise to a claim from the customer. In the event of failure to complete a project as scheduled, or in case of a performance shortfall, the Company may generally be held liable for penalties in the form of agreed liquidated damages. Liquidated damages are generally measured and recognized in accordance with the terms of the contracts with customers.

c) Provision for foreseeable losses on contracts

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Balance at the beginning of the year	-	1
Created / (Reversed) during the year, net	11	(1)
Utilised during the year	-	-
Balance at the end of the year	11	-

The Company provides for foreseeable losses on contracts when it is probable that total contract cost, including expected cost to complete, will exceed the economic benefits expected to be received under it.

d) Provision for employee benefits

i) Gratuity

In accordance with applicable Indian laws, the Company provides for gratuity, a defined benefit retirement plan ("the Gratuity Plan") covering eligible employees. The Gratuity plan provides for a lump sum payment to vested employees on retirement (subject to completion of five years of continuous employment), death, incapacitation or termination of employment that are based on last drawn salary and tenure of employment. Liabilities with regard to the Gratuity plan are determined by actuarial valuation on the reporting date and the Company makes annual contribution to the gratuity fund maintained with an insurance company.

The following tables summarise the components of net benefit expenses recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the Gratuity.

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Change in projected benefit obligation		
Defined benefit obligation at the beginning of the year	88	88
Current service cost	9	9
Past service cost	-	-
Interest cost	5	4
Actuarial gain/(loss)	18	(1)
Benefits paid	(16)	(12)
Defined benefit obligation at the end of the year	104	88
Thereof		
Unfunded	24	10
Funded	80	78

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

18. Provisions *Contd.*

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Change in plan assets		
Fair value of plan assets at the beginning of the year	78	82
Expected return on plan assets	6	4
Actuarial gain/(loss)	3	(3)
Employer contributions	9	6
Benefits paid	(16)	(11)
Fair value of plan assets at the end of the year	80	78
Reconciliation of present value of obligation on the fair value of plan assets		
Present value of defined benefit obligation at the end of the year	103	88
Fair value of plan assets at the end of the year	(79)	(78)
Liability recognised in the balance sheet	24	10
Components of net gratuity costs are:		
Current service cost	9	9
Interest cost	5	4
Past service cost	-	-
Expected return on plan assets	(6)	(4)
Recognized net actuarial (gain)/loss	16	1
Net gratuity costs recognised during the year	24	10
Plan assets do not comprise any of the Company's own financial instruments or any assets used by the Company. Plan assets can be broken down into the following categories of investments:		
Group balance fund	79	65
Group debt fund	1	13
Group short term debt fund	0	0
Total	80	78

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Principal actuarial assumptions used:		
Discount rate	7.18%	7.31%
Long-term rate of compensation increase	5.00%	5.00%
Expected rate of return on plan assets	7.18%	7.31%
Average remaining life (in years)	22	21
Attrition rate	24.00%	24.00%

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Based on historical data, the Company expects contributions of ₹24 Millions to be paid for financial year 2023-24. The weighted average duration of the defined benefit obligation as at 31 March 2024 is 3.98 years (31 March 2023: 3.96 years).

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

18. Provisions *Contd.*

Employee benefits - Maturity profile

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2024					
Defined benefit obligation	31	26	41	24	122
31 March 2023					
Defined benefit obligation	27	18	38	21	104

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability:

Particulars	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2024						
> Sensitivity Level	0.5%	(0.5%)	0.5%	(0.5%)	0.5%	(0.5%)
> Impact on defined benefit obligation	(0.03)	0.03	1.35	(1.39)	(1.31)	1.29
31 March 2023						
> Sensitivity Level	0.5%	(0.5%)	0.5%	(0.5%)	0.5%	(0.5%)
> Impact on defined benefit obligation	0.05	(0.05)	(1.15)	1.19	1.17	(1.15)

(ii) Compensated absences

The Company permits encashment of compensated absences accumulated by its employees on retirement, separation and during the course of service. The liability in respect of the Company, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Company does not maintain any plan assets to fund its obligation towards compensated absences. The total Compensated absences recognized in the statement of profit and loss for the year is ₹37 Millions (2022-23 : ₹26 Millions).

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Principal actuarial assumptions used :		
Discount rate	7.18%	7.31%
Long-term rate of compensation increase	5.00%	5.00%
Average remaining life	21	21
Attrition rate	24.00%	24.00%

19. Other liabilities

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Advance from customers	2,598	70
	2,598	70
Current		
Statutory dues	63	60
Billing in advance of work completed	37	107
Advance from customers	1,226	957
Unbilled Payables	4,710	3,900
Others	276	309
	6,312	5,333

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

20. Borrowings

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current borrowings (Secured)		
Term loans from banks	-	448
Debentures	790	-
	790	448
Current borrowings (Secured)		
From Banks		
Packing credit	662	634
Working Capital Demand Loan	(0)	798
Current maturities of long term borrowings	190	150
	852	1,582

The carrying amount of borrowings is considered to be a reasonable approximation of fair value.

a) Terms, repayment and guarantee details of borrowings

- The Company has availed packing credit facilities in US dollars at an interest rate of 6.66% p.a to 8.00% p.a (31 March 2023: 2.19% p.a to 7.08% p.a) and in the previous year the Company has availed packing facilities in Indian rupees at an interest rate of 7.75% p.a to 9.08% p.a. These packing credits are repayable within 180 days, as applicable, from the date of availment and are secured against foreign currency receivables.
- The Company has availed cash credit facilities from banks at an interest rate of 8.25% p.a to 9.65% p.a (31 March 2023: 7.9% p.a to 9.70% p.a) and are secured against receivables of the Company.
- The Company has availed working capital demand loan at an interest rate of 8.25% p.a to 9.55% p.a (31 March 2023 : 6.25% p.a to 9.70% p.a) and is repayable within 180 days from the date of availment and are secured against receivables of the Company.
- During the current year the Company issued debentures to to an international organisation established under a Charter, which is secured by first pari-passu charge on the entire current assets of the Company except MRPL Project and BUIDCO Bhagalpur Project at an interest of 8.54% p.a and repayable by 18 quarterly instalments from the end of moratorium period .
- The Company has availed working capital term loan from various banks at an interest rate of 8.00% p.a to 9.65% p.a (31 March 2023 : 7.85% p.a to 9.50% p.a) which is secured by second pari-passu charge on the entire current assets of the Company and has been repaid in current year.

21. Current Tax Liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Current tax liabilities net of advance taxes	176	-
	176	-

22. Financial Instruments

Catagories of Financial assets and Financial liabilities

Particulars	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Total
As at 31 March 2024			
Financial assets			
Investments	2	-	2
Trade receivables	-	23,429	23,429
Cash and bank balances	-	3,557	3,557
Other financial assets	-	922	922
	2	27,908	27,910

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

22. Financial Instruments *Contd.*

Particulars	Financial liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total
As at 31 March 2024			
Financial liabilities			
Trade payables	-	10,195	10,195
Borrowings	-	1,642	1,642
Other financial liabilities	-	285	285
	-	12,122	12,122

Particulars	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Total
As at 31 March 2023			
Financial assets			
Investments	2	-	2
Trade receivables	-	19,264	19,264
Cash and bank balances	-	1,662	1,662
Other financial assets	-	939	939
	2	21,865	21,867

Particulars	Financial liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total
As at 31 March 2023			
Financial liabilities			
Trade payables	-	10,095	10,095
Borrowings	-	2,030	2,030
Other financial liabilities	-	286	286
	-	12,411	12,411

Investments excludes equity and other instruments in subsidiaries and associates amounting to ₹1,300 Millions (previous year ₹949 Millions) which are measured at cost.

The carrying value of financial assets and financial liabilities approximates the fair value of financial assets and financial liabilities as at 31 March 2024 and 31 March 2023.

Also refer note 38 fair value measurement

23. Revenue from operations

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Sale of services		
Export	9,980	8,101
Domestic	14,912	14,988
	24,892	23,089
Other operating revenues, net (Also refer note 16 (b))*	205	164
	25,097	23,253

* Other operating revenue includes income from scrip sales and duty drawback of ₹Nil (2022 - 23 : ₹25 Million)

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

23. Revenue from operations *Contd.*

A Disaggregation of sale of services

Revenue from operations are disaggregated based on projects, based on customers, based on timing of revenue recognition and based on geography.

a) Based on Projects

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Construction contracts	21,218	20,226
Operation and maintenance contracts	3,674	2,863
	24,892	23,089

b) Based on Customers

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Industrial	10,037	9,006
Municipal	14,855	14,083
	24,892	23,089

c) Based on Timing of revenue recognition

Revenues from construction contracts and operation & maintenance contracts are recognised on 'Over a point in time' basis and 'At a point in time' basis respectively.

d) Based on Geography

Revenue from operations can be disaggregated based on geography into 'India' and 'Rest of the World'.

B Transaction price allocated to the remaining sales contracts (Order backlog)

Revenues expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied as at 31 March 2024 amounting to ₹84,111 Millions (31 March 2023 : ₹94,760 Millions)

Construction contracts are progressively executed over a period of upto 3.5 years and based on specific project schedules. Operation and maintenance contracts are expected to be executed over a period of 1 to 20 years, primarily invoiced on a monthly basis.

C. Reconciliation of sale of services with contract price

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Opening contract price of orders as at 01 April	94,760	67,361
Fresh orders /Change in orders received, net	13,940	48,876
Total revenue recognised during the year	(24,892)	(23,089)
Effects of foreign exchange movement	303	1,612
Closing contract price of orders as at 31 March	84,111	94,760

24. Other Income

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Profit on sale of property, plant and equipment, net	2	2
Interest income from deposits with banks and others	116	76
Dividend income	102	5
Foreign currency gain, net	93	523
	313	606

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

25. Cost of sales and services

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Engineering costs	769	292
Material costs	9,623	9,374
Civil costs	4,067	4,658
Erection and commissioning costs	687	686
Taxes and duties	64	48
Site establishment costs	691	599
Project consultancy fee	76	66
Warranty expenses (Also refer note 18(a))	658	46
Foreseeable losses on contracts (Also refer note 18(c))	11	(1)
Project travel	176	153
Insurance costs	119	39
Power and fuel	44	18
Liquidated damages (Also refer note 18(b))	137	6
Other operation and maintenance expenses	558	538
Other project expenses	1,615	1,351
	19,295	17,873

26. Changes in inventories

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Inventories at the beginning of the year		
Contract inventories	2	1
Stores and spares	100	84
	(A)	85
Less: Inventories at the end of the year		
Contract inventories	9	2
Stores and spares	94	100
	(B)	102
	(A-B)	(17)

27. Employee Benefits Expense

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Salaries and wages	1,535	1,528
Gratuity and compensated absences (Also refer note 18(d))	46	34
Contribution to provident and other defined contribution funds	67	59
Staff welfare expenses	81	57
	1,729	1,678

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

28. Finance Costs

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Interest expenses for borrowings at amortised cost	187	267
Bank charges	407	334
	594	601

29. Depreciation and Amortization Expense

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Depreciation of property, plant and equipment (Also refer note 4)	38	40
Amortization of intangible assets (Also refer note 4)	4	2
	42	42

30. a) Other expenses

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Rent (Also refer note 34)	23	23
Insurance	4	8
Power and fuel	18	19
Rates and taxes	4	2
Repairs and maintenance	55	54
Professional charges (Also refer note 35)	141	133
Communication expenses	7	9
Travelling and conveyance	52	37
Bad and doubtful debts, net	123	336
Impairment of investments	62	53
Corporate social responsibility expenses (Also refer note 36)	14	12
Printing and stationery	5	4
Office and maintenance expenses	22	20
Miscellaneous expenses	61	59
	591	769
b) Exceptional items	-	2,892

31. Income Taxes

The major component of income tax for the year ended 31 March 2024 and 31 March 2023 are;

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Current tax:		
Income tax expense	851	75
Tax expense/(reversal) in respect of earlier years	-	-
Deferred tax:		
Relating to allowances for credit losses	-	-
Relating to change in tax rate	-	-
Relating to origination and reversal of temporary differences	(49)	(67)
Tax expense reported in the statement of profit and loss	802	8
Income tax relating to items that will not be reclassified to profit and loss	4	0
Tax expense reported in other comprehensive income	4	0

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

31. Income Taxes *Contd.*

Tax reconciliation:

The major components of tax expense and the reconciliation of the tax expense based on the domestic effective tax rate of the Company at 25.38% (31 March 2023: 39.09 %) and the reported tax expense in the statement of profit and loss are as follows:

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Profit before taxes	3,160	21
Enacted tax rates	25.168%	25.168%
Tax on profit at enacted tax rate	795	5
Dividend Income taxed at lower rate	-	(0)
Tax effect on non deductible expenses	7	3
Income tax expense	802	8
Current tax	851	75
Tax reversal relating to previous years	-	-
Deferred tax	(49)	(67)
Income tax expense reported in the statement of profit and loss	802	8

32. Earnings per Equity Share (EPS)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
For profit for the year		
Nominal value of equity shares (in ₹)	2	2
Profit attributable to equity shareholders after exceptional item (A)	2,358	12
Weighted average number of equity shares outstanding during the year (B)	6,21,90,428	6,21,90,428
Basic & Diluted earnings per equity share (A/B) (in ₹)	37.91	0.20
For total comprehensive income		
Nominal value of equity shares (in ₹)	2	2
Total comprehensive income attributable to equity shareholders after exceptional items (a)	2,346	12
Weighted average number of equity shares outstanding during the year (b)	6,21,90,428	6,21,90,428
Basic & Diluted earnings per equity share (a/b) (in ₹)	37.73	0.19

33. Contract Assets and Contract Liabilities

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Contract Balances		
Movement in contract assets		
Opening balance	3,984	3,998
Changes in the measure of progress, claims and other adjustments, net	3,855	2,303
Transfer to trade receivables, net	(2,406)	(2,317)
Closing balance	5,433	3,984

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

33. Contract Assets and Contract Liabilities *Contd.*

Movement in contract Liabilities

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Opening balance	1,134	1,482
Advances received during the year	3,224	32
Billing in advance for work completed	37	1
Advances offset against billing, net	(427)	(339)
Revenues recognised during the year	(107)	(42)
Closing balance	3,861	1,134

34. Leases

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
(A) Expenses related to leases recognised in Statement of Profit and Loss :		
Depreciation expense from right to use assets	-	-
Interest expenses on lease liabilities	-	-
Expenses relating to short term leases (Also refer note 30)	23	23
(B) Payments related to leases recognised in Statement of Cash Flows :		
Recognition of finance lease liabilities	-	-
Interest paid on finance lease liabilities	-	-

35. Remuneration to Auditors (included as part of Professional charges)*

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
As auditor		
Audit fees	6	5
Taxation matters	0	0
Other services	1	1
Reimbursement of expenses	2	1
	9	7

* excluding taxes

36. Expenditure on Corporate Social Responsibility (CSR)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
a) Amount required to be spent by the company during the year	14	12
b) Amount of expenditure incurred	14	12
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Nature of CSR activities#	-	-
f) Details of related party transactions	-	-

#Skill Development activities

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

37. Related party disclosures

a) Names of related parties and nature of relationship

Nature of relationship	Name of related party
Subsidiary companies	VA Tech Wabag (Singapore) Pte Ltd, Singapore
	VA Tech Wabag GmbH, Austria
	Wabag Wassertechnik AG, Switzerland (ceased to be a subsidiary effective 12 April 2023)
	VA Tech Wabag Deutschland GmbH, Germany
	VA Tech Wabag Brno spol S.R.O, Czech Republic (ceased to be a subsidiary effective 10 March 2023)
	Wabag Water Services s.r.l, Romania
	VA Tech Wabag Tunisie s.a.r.l, Tunisia
	VA Tech Wabag Su Tecknolojisi Ve Tic A.S, Turkey
	VA Tech Wabag Muscat LLC, Oman
	VA Tech Wabag (Philippines) Inc, Philippines
	VA Tech Wabag Limited Pratibha Industries Limited JV, Nepal
	Wabag Limited, Thailand (liquidated on 03 November 2023)
	Wabag Muhibbah JV Sdn Bhd, Malaysia
	Wabag Belhasa JV WLL, Bahrain
	VA Tech Wabag and Roots Contracting LLC, Qatar
	Ganga STP Project Private Limited (Subsidiary upto 22 September 2021)
	DK Sewage Project Private Limited (Subsidiary upto 28 March 2024)
	Ghaziabad Water Solutions Private Limited
	Kopri Bio Engineering Private Limited (Subsidiary upto 04 July 2023)
	Associate
Ganga STP Project Private Limited (Associate effective 22 September 2021)	
DK Sewage Project Private Limited (Associate effective 29 March 2024)	
Key Managerial Personnel (KMP)	VA Tech Wabag and Roots Contracting LLC, Qatar
	Mr. Rajiv Mittal - Chairman & Managing Director
	Mr. S Varadarajan - Whole Time Director & Chief Growth Officer
	Mr. Milin Mehta - Independent director
	Ms. Vijaya Sampath - Independent director
	Mr. Ranjit Singh - Independent director
	Mr. Amit Goela - Non Executive Non Independent director
	Mr. Skandaprasad Seetharaman - Chief Financial Officer
	Mr. Shailesh Kumar - CEO India Cluster (Appointed w.e.f 27 May 2022)
	Mr. Arulmozhi - CFO India Cluster
	Mr. Pankaj Malhan - Deputy Managing Director and Group Chief Executive Officer (Resigned w.e.f 30 October 2023)
Mr. Pankaj Sachdeva - CEO India Cluster (Resigned w.e.f 30 September 2022)	
Other Related Party	Mr. Rohan Mittal- Engineer, Relative of Chairman & Managing Director

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

b) Transactions with related parties

Particulars	Year ended 31 March 2024			Year ended 31 March 2023		
	Subsidiaries	Associates	KMP and other related party	Subsidiaries	Associates	KMP and other related party
Sale of goods/services	2,479	159	-	1,496	1,855	-
Purchase of goods/services	624	-	-	1,116	-	-
Investments made*	286	130	-	445	-	-
Others operating income	159	-	-	58	14	-
Other Income	13	102	-	4	-	-
Other expenses	23	-	-	54	-	-
Reimbursements from /to, net	5	-	-	2	-	-

*Investments include investment in non convertible debentures , compulsory convertible debentures and inter-corporate deposit converted to non convertible debentures.

c) Balances with related parties

Particulars	As at 31 March 2024			As at 31 March 2023		
	Subsidiaries	Associates	KMP and other related party	Subsidiaries	Associates	KMP and other related party
Advances/ amount recoverable	897	525	-	1,804	382	-
Creditors/ Payables	545	9	8	642	9	10

All transactions with these related parties are priced on an arm's length basis. None of the balances are secured.

Note:

The maximum amount of Loans and advances in the nature of Loans outstanding during the year in accordance with Regulation 34(3) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015 is Nil as below:

- i) Wabag Limited, Thailand - ₹ Nil (31 March 2023: ₹ 21 Millions)

d) List of guarantees

Purpose of Guarantee	As at 31 March 2024			As at 31 March 2023		
	Subsidiaries	Associates	KMP and other related party	Subsidiaries	Associates	KMP and other related party
Corporate guarantee for securing banking lines	108	-	-	107	-	-
Bank guarantee for contract performance	-	-	-	261	-	-

e) Remuneration to Key Managerial Personnel and Other Related Parties

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Salaries including bonus	110	107
Post employment and termination benefits	8	8
Commission	7	6

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

38. Fair value measurement

Fair value measurement hierarchy

The Company records certain financial assets and financial liabilities at fair value on a recurring basis. The Company determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Company holds certain fixed income investments and other financial assets such as employee advances, deposits etc. which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions about current market conditions. The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of fair value hierarchy. These levels are based on the observability of significant inputs to the measurement, as follows:

> **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities

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

> **Level 3:** Inputs for assets or liabilities that are not based on observable market data (unobservable inputs)

The following table shows the Levels within the hierarchy of financial and non-financial assets and liabilities measured at fair value on a recurring basis at 31 March 2024, 31 March 2023:

(a) Quantitative disclosures fair value measurement hierarchy for assets as at 31 March:

Particulars	Fair value measurement using				
	Date of valuation	Carrying value	Level 1	Level 2	Level 3
i) Assets measured at fair value:					
Fair value through statement of profit and loss					
Investments					
2024	31 March 2024	2	-	-	2
2023	31 March 2023	2	-	-	2
ii) Liabilities measured at fair value:					
Financial guarantees					
2024	31 March 2024	-	-	-	-
2023	31 March 2023	-	-	-	-

iii) Liabilities measured at amortised cost:

a) Interest-bearing loans and borrowings:

The Company ensures a balanced portfolio of fixed and floating rate loans and borrowings. The Company's borrowings as at 31 March 2024 of ₹663 Millions (31 March 2023 ₹1,432 Millions) and of ₹979 Millions (31 March 2023 ₹598 Millions) are on fixed rate and floating rate basis of interest respectively.

The fair values of the Company's interest-bearing borrowings and loans are determined under amortised cost method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. These rates are considered to reflect the market rate of interest and hence the carrying value are considered to be at fair value.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

39. Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies

The Company's principal financial liabilities comprise of borrowings, trade and other payables, and financial guarantee contracts. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its and group companies operations. The Company's principal financial assets include investments, trade and other receivables, cash and short-term deposits that are created directly from its operations. .

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks. The Company's management is supported by the Group Treasury Team that advises on financial risks and the appropriate financial risk governance framework in accordance with the Company's policies and risk objectives. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors review and agree on policies for managing each of these risks, which are summarised below.

a) Market risk

The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

i. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates.

Interest rate sensitivity

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% for the year ended 31 March 2024 (31 March 2023: +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. Sensitivity calculations are based on a annualized interest cost on the borrowings at floating rate as of the reporting dates 31 March 2024 and 31 March 2023 . All other variables are held constant.

Particulars		As at 31 March 2024	As at 31 March 2023
Profit before tax			
Increase	+1%	10	6
Decrease	-1%	(10)	(6)
Equity before tax			
Increase	+1%	10	6
Decrease	-1%	(10)	(6)

ii. Foreign currency risk

Most of the Company's transactions are carried out in Indian rupees. Exposures to currency exchange rates arise from the Company's overseas sales and purchases, which are primarily denominated in US dollars (USD) and Euro (EUR).

To mitigate the Company's exposure to foreign currency risk, cash flows are monitored and forward exchange contracts are entered into in accordance with the Company's risk management policies. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

Foreign currency denominated financial assets and financial liabilities which predominantly expose the Company to currency risk are disclosed below. The amounts shown are translated at the closing rate:-

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

39. Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies *Contd.*

Particulars	Foreign currency exposure (in ₹ in Millions)	
	USD	EUR
31 March 2024		
Financial assets	12,610	759
Financial liabilities	2,186	371
31 March 2023		
Financial assets	7,413	251
Financial liabilities	2,159	652

For the purpose of this disclosure, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

The following table illustrates the sensitivity of profit and equity in regards to the Company's financial assets and financial liabilities and the USD/₹ exchange rate and EUR/₹ exchange rate 'all other things being equal'. It assumes a +/- 1% change of the ₹/USD and ₹/EUR exchange rate for the year ended 31 March 2024 (31 March 2023: 1%).

If the ₹ had strengthened against the USD by 1% during the year ended 31 March 2024 (31 March 2023: 1%), and EUR by 1% during the year ended 31 March 2024 (31 March 2023: 1%) respectively then this would have had the following impact on profit before tax and equity before tax:

Particulars		As at 31 March 2024	As at 31 March 2023
Profit before tax			
USD	+1%	104	53
EUR	+1%	4	(4)
		108	49
Equity before tax			
USD	+1%	104	53
EUR	+1%	4	(4)
		108	49

If the ₹ had weakened against the USD by 1% during the year ended 31 March 2024 (31 March 2023: 1%) and EUR by 1% during the year ended 31 March 2024 (31 March 2023: 1%) respectively, there would be an equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remain constant.

b) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company is exposed to this risk for various financial instruments, for example trade receivables, placing deposits etc. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March, as summarised below:

Particulars	As at 31 March 2024	As at 31 March 2023
Classes of financial assets		
Trade receivables	23,429	19,264
Cash and cash equivalents balances	2,899	861
Bank balances other than those mentioned in cash and cash equivalents	658	801
Other financial assets	922	939

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

39 Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies *Contd.*

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Company, and incorporates this information into its credit risk controls. The Company's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters.

In respect of trade receivables, the Company is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties. Customer credit risk is managed based on the Company's established policy, procedures and control relating to customer credit risk management, pursuant to which outstanding customer receivables are regularly monitored by the management, to ensure the risk of credit loss is minimal. Credit quality of a customer is assessed based on historical information in relation to pattern of collections, defaults and credit worthiness of the customer. As at 31 March 2024, the Company had 19 (Previous year 2022-23: 19) customers that owed the Company more than ₹300 Millions each and accounted for approximately 90% (Previous year 2022-23: 83%) of all the receivables outstanding. As at 31 March 2024, the Company has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. (Also refer note 6)

The credit risk for cash and cash equivalents, balance with banks are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other financial assets mainly comprises of tender deposits and security deposits which are given to customers or other governmental agencies in relation to contracts executed and are assessed by the Company for credit risk on a continuous basis. The credit risk on these balances are estimated to be low as at 31 March 2024.

c) Liquidity risk

Liquidity risk is that the Company might be unable to meet its obligations. The Company manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly, and yearly basis depending on the business needs. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Company's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-day periods at a minimum. This objective was met for the reporting periods. Funding for long-term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The Company considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Company's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are all contractually due within six months except for retention and long term trade receivables which are governed by the relevant contract conditions.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, and short-term borrowings. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below analyses non-derivative financial liabilities of the Company into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows including interest as at 31 March 2024 and 31 March 2023.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

39. Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies Contd.

As at 31 March 2024	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Borrowings	774	150	976	-
Trade payables	8,866	-	1,329	-
Other financial liabilities	272	-	13	-
	9,912	150	2,318	-

As at 31 March 2023	Year ended 31 March 2023			
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Borrowings	1,555	99	501	-
Trade payables	8,695	-	1,400	-
Other financial liabilities	275	-	11	-
	10,525	99	1,912	-

40. Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2024) and the date of authorisation (21 May 2024) other than those disclosed under respective notes.

41. Contingent liabilities, commitments and guarantees

a) Claims against the Company not acknowledged as debt

Particulars	As at 31 March 2024	As at 31 March 2023
Income tax demand including interest contested in appeal for various assessment years	134	54
Indirect tax matters under dispute including interest contested in appeal for various years	1,242	648

b) Capital commitments

The estimated amounts of contracts to be executed on capital account and not provided for (net of advances) Nil (Previous year – Nil).

c) Guarantees excluding financial guarantees

Particulars	As at 31 March 2024	As at 31 March 2023
Guarantees issued by the Company for:		
- subsidiaries	-	261

42. Segment reporting

The Company publishes the standalone financial statements along with the consolidated financial statements in the annual report. In accordance with Ind AS 108, Operating segments, the Company has disclosed the segment information in the consolidated financial statements.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

43. Analytical ratios

Particulars	As at 31 March 2024	As at 31 March 2023	Change	Numerator	Denominator
a. Current Ratio	1.66	1.38	20.3%	Current assets	Current Liabilities
b. Debt-Equity Ratio*	0.11	0.16	(31.8%)	Total Debt (Long & Short term)	Shareholder's Equity
c. Debt Service Coverage Ratio#	6.87	0.77	791.4%	Earnings available for debt service	Debt Service
Before exceptional items	6.87	5.96			
d. Return on Equity Ratio (ROE)#	17.1%	0.1%	17,582.3%	Net Profits after taxes	Average Shareholder's Equity
Before exceptional items	17.1%	17.3%			
e. Inventory turnover Ratio	20.27	20.59	(1.6%)	Sales	Average Inventory
f. Trade Receivables turnover Ratio	1.17	1.23	(5.1%)	Net Credit Sales	Average Accounts Receivable
g. Trade payables turnover Ratio	1.90	1.83	3.8%	Net Credit Purchases	Average Trade Payables
h. Net capital turnover Ratio§	2.17	3.77	(42.5%)	Net Sales	Working Capital
i. Net profit Ratio#	9.5%	0.1%	17,835.5%	Net Profit	Net Sales
Before exceptional items	9.5%	9.4%			
j. Return on Capital employed (ROCE)#	22.4%	2.3%	880.3%	Earning before interest and taxes	Capital Employed
Before exceptional items	22.4%	25.2%			

* Due to considerable reduction in debt in current year as compared to previous year.

Due to exceptional items in the previous year.

§ Due to higher revenue and higher working capital in current year

All investments are non current in nature and invested in group companies as equity instruments, hence return on investment ratio is not computed.

44. No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. (Previous Year : Nil)

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

45. Additional disclosures under Schedule III Division II of the Companies Act

- a. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder, as at the end of the year.
- b. The Company has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority
- c. As per the information available with the Company, the Company has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 (Previous Year :Nil)
- d. There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period as at the end of the year.
- e. The Company has not traded or invested in Crypto currency or Virtual currency during the financial year ended 31 March 2024. (Previous Year :Nil)
- f. The Company is using IFS ERP (accounting software) for maintaining books of accounts. Audit trail was operational throughout the year, except for a period from 20 June 2023 to 30 September 2023, during which period the ERP was upgraded.

46. Figures for the previous year have been regrouped / re-classified to conform to the figures of the Current year. Values less than ₹0.5 Million disclosed as zero .

Notes 1 to 46 form an integral part of the standalone financial statements

In terms of our report of even date attached

For and on behalf of the Board of Directors of **VA Tech Wabag Limited**

For **Sharp & Tannan**

Chartered Accountants

Firm's Registration No.: 003792S

V Viswanathan

Partner

(Membership No.: 215565)

Rajiv Mittal

Chairman & Managing Director

(DIN :01299110)

Milin Mehta

Director

(DIN : 01297508)

Skandaprasad Seetharaman

Chief Financial Officer

Anup Kumar Samal

Company Secretary

(Membership No:F4832)

Place : Chennai

Date : 21 May 2024

Place : Chennai

Date : 21 May 2024

Independent Auditors' Report

To
The members of
VA Tech Wabag Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of VA Tech Wabag Limited (hereinafter referred to as the "Company" / "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") which includes Group's share of profit in its associates, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year ended on that date and notes to the consolidated financial statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2024, the consolidated profit and consolidated total comprehensive income, its consolidated cash flows and consolidated changes in equity for the year ended on that date.

Basis of Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("Standards") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group and its associates in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the independence requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No	Key audit matter description and principal audit procedures
1	<p>Revenue recognition</p> <p>Refer Notes 3.1, 11 and 23 in the consolidated financial statements</p> <p>The Group recognises revenue and margin on the stage of completion based on the proportion of contract costs incurred relative to the estimated total costs of each contract (referred to as 'percentage of completion method'). The recognition of revenue and margin therefore relies on estimates in relation to the estimated total costs on each contract. Cost contingencies may also be included in these estimates to take account of specific uncertain risks arising within each contract. These cost estimates are reviewed by the Group on a regular basis during contract execution and adjusted where appropriate. There is significant judgement by the management of the Group in estimating the amount of revenue and margin to be recognised by the Group up to the balance sheet date and changes to these estimates could give rise to material variances and hence revenue recognition has been considered as a key audit matter.</p>

S. No	Key audit matter description and principal audit procedures
	<p>Our procedures include the following:</p> <ul style="list-style-type: none"> ▪ Evaluate and test key controls in the management processes in relation to recognition of revenue and margin including: <ul style="list-style-type: none"> - the preparation, review and authorisation of contract review sheets for contracts which contains the estimated total costs for the contracts including cost contingencies - the project reviews that are undertaken by the management of the Group - the controls in relation to the accrual of cost towards materials and services ▪ Recalculate revenue recognised under the percentage of completion method on a test basis ▪ Evaluate the financial performance of contracts against budget / earlier year estimates and obtain reasons for significant variances thereto ▪ Test the contract value, costs incurred to date including the costs accrued for work completed, total estimated contract costs for a sample of contracts selected based on factors such as value of contracts, material new contracts and contracts where significant risks have been identified by the management of the Group ▪ Conduct site visits on a test basis to confirm our understanding of the risks and controls at site level ▪ Review the management's assessment of pre-GST taxes adjustment for projects where it is under finalisation with customers
2	<p>Dues from customers (unbilled) and Trade receivables</p> <p>Refer Notes 3.1, 3.2, 3.3, 3.4, 7, 11 and 33 in the consolidated financial statements</p> <p>The Group measures revenue to be recognised based on the contract costs incurred till the reporting date over the total estimated costs for each contract. Such revenue recognised in excess of progress billing till the reporting date is presented as 'Dues from customers' which are yet to be billed to the customers. Such Dues from customers are accounted based on the contractual terms and management's assessment of recoverability from customers. Management also assesses the recoverability of Trade receivables including those which have remained unsettled beyond the contractual credit period using judgement and past collection trends in similar contracts and customers. The management of the Group estimates and recognises allowance for expected credit losses on Trade receivables and Dues from customers which involves estimation of expected default and/or delay in the customer making payment over the duration of the contract and realisability of Dues from customers, considering the past trend and its assessment on the reporting date. The valuation of Dues from customers and Trade receivables involves significant management judgement and estimates as stated above, and hence it has been considered as a key audit matter.</p> <p>Our Procedures include the following:</p> <ul style="list-style-type: none"> ▪ Evaluate management's processes and controls in respect of Dues from customers and Trade receivables for the following, <ul style="list-style-type: none"> - risk assessment pertaining to invoicing and recoverability - assessment of the probability of default and delay - assessment of the significant increases in credit risk, if any ▪ Request confirmation of balances from customers having significant outstanding balances as at the reporting date ▪ Review the project progress, invoicing and collection history of customers with significant Dues from customers or Trade receivables. Discuss with the project team to understand the management's assessment of risk associated with recoverability ▪ Analyse the past trend and inquire into the reasonableness of expected credit loss allowance matrix developed by the management of the Group for estimating the allowance for Trade receivables ▪ Consider the subsequent events and collections in assessing the recoverability of Dues from customers and Trade receivables ▪ Consult legal counsel wherever necessary for legal disputes to assess the valuation of Trade receivables

Information other than the Consolidated Financial Statements and Auditor's Report thereon

The Board of Directors of the Holding Company is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis, Business Responsibility and Sustainability Reporting and Report on Corporate Governance but does not include the consolidated financial statements and our report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with Governance for the consolidated financial statements

The Board of Directors of the Holding Company is responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated total comprehensive income, consolidated cash flows and consolidated changes in equity of the Group including its associates in accordance with the Ind AS prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and its associate or to cease operations or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

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

- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of the Holding Company included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most

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

Other matters

The consolidated financial statements include the financial statements of twelve subsidiaries, whose financial information reflect total assets of Rs. 12,286 million and net assets of Rs. 4,447 million as at 31 March 2024, total revenues of Rs. 6,951 million, total net profit after tax of Rs. 315 million, total comprehensive income of Rs. 314 million and net cash inflows amounting to Rs. 560 million for the year ended on that date, which have not been audited by us. The consolidated financial statements also include the Group's share of total comprehensive loss (net) of Rs. 95 Million for the year ended 31 March 2024, in respect of its four associates, whose financial statements have not been audited by us. The financial information of these subsidiaries and associates have been audited by other auditors whose reports have been furnished to us by the management of the Holding Company and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information, in so far as it relates to the aforesaid subsidiaries and associates, is based solely on the reports of such other auditors

Our opinion above on the consolidated financial statements and our report on other legal and regulatory requirements below, are not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

1. As required by paragraph 3(xxii) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies incorporated in India which are included in these Consolidated Financial Statements.
2. As required by Section 143(3) of the Act, to the extent applicable and based on our audit and consideration of other auditors' reports, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements

- (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors except for the matters stated in paragraph 2(h)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 (as amended)
 - (c) the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements
 - (d) in our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act and read with Companies (Indian Accounting Standards) Rules, 2015, as amended
 - (e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2024 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of subsidiary companies and associate company incorporated in India, none of the directors of the Holding Company, subsidiary companies and associate company incorporated in India are disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act
 - (f) the modifications relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 2(i)(vi) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014
 - (g) with respect to the adequacy of the internal financial controls with reference to financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure A" which is based on our report of the Holding Company, its subsidiary companies and associate company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for those Companies
 - (h) with respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Group, as detailed in Note 46 to the consolidated financial statements, has disclosed the impact of pending litigations on its consolidated financial position of the Group;
 - ii. the Group, as detailed in Note 19 to the consolidated financial statements, has made provision, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and associate company incorporated in India.
 - iv. (a) the respective managements of the Holding Company, its subsidiaries and associate company incorporated in India, whose financial statements have been audited under the Act, have represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company, its subsidiaries and associate company, incorporated in India to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, its subsidiary companies and associate company incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - (b) the respective managements of the Holding Company, its subsidiaries and associate company incorporated in India, whose financial statements have been audited under the Act, have represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Holding Company, its subsidiary companies and associate company

- incorporated in India from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company, its subsidiary companies and associate company incorporated in India from any person or entity, shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) based on the audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of subsidiaries / associate company which are incorporated in India, whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. the Holding Company has not declared or paid any dividend during the financial year.
- vi. based on our examination, which included test checks, and that performed by the respective auditors of a subsidiary and associates which are companies incorporated in India whose financial statements have been audited under the Act, except for the instances mentioned below, the Company, subsidiary and associates have used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and the respective auditors of the above referred subsidiary and associates did not come across any instance of audit trail feature being tampered with, wherever the audit trail was operated. Also, refer to the management assessment of the audit trail in note 49(g) of the consolidated financial statements

Description	Number of instances
Instances where the audit trail was not operated for part of the year	In respect of an accounting software used in the Company
Instances where accounting software does not have the feature of recording audit trail (edit log) facility	In respect of the accounting software used in a subsidiary and an associate

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner

Membership No. 215565
UDIN: 24215565BKGRMR1160

Place: Chennai
Date: 21 May 2024

Annexure A to the Independent Auditor's Report

(Referred to in paragraph (g) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of VA Tech Wabag Limited of even date)

Independent Auditor's Report on the Internal financial controls with reference to consolidated financial statements under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated financial statements of the VA Tech Wabag Limited (hereinafter referred to as "Holding Company") as of and for the year ended 31 March 2024, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate company which are companies incorporated in India as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate company which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies and associate company, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company, its subsidiary companies and associate company which are companies incorporated in India.

Meaning of Internal financial controls with reference to financial statements

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

Inherent Limitations of Internal financial controls with reference to financial statements

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

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiary companies and associate company which are incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2024, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial

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

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to one subsidiary companies and two associates, which are companies incorporated in India, is based solely on the corresponding reports furnished to us by the auditors of such companies incorporated in India. Our opinion is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of such other auditors.

for **SHARP & TANNAN**
Chartered Accountants
(Firm's Registration No. 003792S)

V. Viswanathan
Partner
Membership No. 215565
UDIN: 24215565BKGRMR1160
Place: Chennai
Date: 21 May 2024

Consolidated Balance Sheet

as at 31 March 2024

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	Note	As at 31 March 2024	As at 31 March 2023
ASSETS			
Non-current assets			
Property, plant and equipment	5	689	718
Intangible assets	5	36	36
Investments accounted for using the equity method	6	628	415
Financial assets			
- Investments	6	43	43
- Trade receivables	7	5,304	6,871
- Other financial assets	8	1,993	861
Deferred tax assets (net)	9	450	371
Income tax assets (net)	10	349	834
Other non-current assets	11	-	26
		9,492	10,175
Current assets			
Inventories	12	359	353
Financial assets			
- Trade receivables	7	19,911	15,068
- Cash and cash equivalents	13	4,399	1,806
- Bank balances other than those mentioned in cash and cash equivalents	13	698	948
- Other financial assets	8	345	932
Other current assets	11	10,541	10,780
Assets classified as held for sale	48	-	830
		36,253	30,717
		45,745	40,892
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	124	124
Other equity			
- Securities premium reserve		3,939	3,939
- Reserves and surplus		14,123	11,686
Share application money pending allotment		-	-
Equity attributable to owners of the Parent		18,186	15,749
Non-controlling interest		53	(3)
		18,239	15,746
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	16	1,886	550
- Lease liabilities		48	32
- Trade payables		-	-
total outstanding dues of micro enterprises and small enterprises	17	-	-
total outstanding dues of creditors other than micro enterprises and small enterprises	17	1,283	1,332
- Other financial liabilities	18	13	11
Provisions	19	128	130
Deferred tax liabilities (net)	9	-	11
Other non-current liabilities	20	2,598	70
		5,956	2,136
Current liabilities			
Financial liabilities			
- Borrowings	16	920	1,582
- Lease liabilities		35	26
- Trade payables		-	-
total outstanding dues of micro enterprises and small enterprises	17	49	88
total outstanding dues of creditors other than micro enterprises and small enterprises	17	10,234	10,609
- Other financial liabilities	18	288	350
Other current liabilities	20	8,648	9,154
Provisions	19	1,152	531
Current tax liabilities (net)	21	223	81
Liabilities associated with the assets classified as held for sale	48	-	589
		21,549	23,010
		27,505	25,146
		45,745	40,892

Notes 1 to 50 form an integral part of the consolidated financial statements

In terms of our report of even date attached

For **Sharp & Tannan**

Chartered Accountants

Firm's Registration No.: 003792S

V Viswanathan

Partner

(Membership No.: 215565)

For and on behalf of the Board of Directors of **VA Tech Wabag Limited**
Rajiv Mittal

Chairman & Managing Director

(DIN :01299110)

Milin Mehta

Director

(DIN : 01297508)

Skandaprasad Seetharaman

Chief Financial Officer

Place : Chennai

Date : 21 May 2024

Anup Kumar Samal

Company Secretary

(Membership No:F4832)

Place : Chennai

Date : 21 May 2024

Consolidated Statement of Profit and Loss

 for the year ended 31 March 2024

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	Note	Year Ended 31 March 2024	Year Ended 31 March 2023
Income			
Revenue from operations	23	28,564	29,605
Other income	24	434	536
Total income		28,998	30,141
Expenses			
Cost of sales and services	25	21,672	22,779
Changes in inventories	26	(5)	(84)
Employee benefits expense	27	2,354	2,655
Finance costs	28	711	658
Depreciation and amortization expense	29	84	88
Other expenses	30a	786	1,077
Total expenses		25,602	27,173
Profit before share of net profits of investments accounted for using equity method and tax		3,396	2,968
Share of profit of associates net		(95)	93
Profit before exceptional items and tax		3,301	3,061
Exceptional items	30b	-	(2,892)
Profit before tax		3,301	169
Tax expense	31		
Current tax		866	146
Deferred tax		(69)	(87)
Profit for the year		2,504	110
Profit for the year attributable to:			
Owners of the parent		2,456	130
Non-controlling interests		48	(20)
		2,504	110
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Re-measurement gains on defined benefit plans		(16)	(2)
- Exchange differences on translation of foreign operations		-	-
- Income tax relating to items that will not be reclassified to profit and loss		4	-
		(12)	(2)
Items that will be reclassified subsequently to profit and loss			
- Exchange differences on translation of foreign operations		18	220
		18	220
Other comprehensive income for the year, net of tax		6	218
Total comprehensive income for the year		2,510	328
Other comprehensive income for the year, net of tax attributable to:			
Owners of the parent		-	229
Non-controlling interests		6	(11)
		6	218
Total comprehensive income for the year attributable to:			
Owners of the parent		2,456	359
Non-controlling interests		54	(31)
		2,510	328
Earnings per equity share	32		
Basic & Diluted (in ₹)		39.49	2.07

Notes 1 to 50 form an integral part of the consolidated financial statements

In terms of our report of even date attached

For **Sharp & Tannan**

Chartered Accountants

Firm's Registration No.: 003792S

V Viswanathan

Partner

(Membership No.: 215565)

Place : Chennai

Date : 21 May 2024

For and on behalf of the Board of Directors of **VA Tech Wabag Limited**

Rajiv Mittal

Chairman & Managing Director

(DIN : 01299110)

Skandaprasad Seetharaman

Chief Financial Officer

Place : Chennai

Date : 21 May 2024

Milin Mehta

Director

(DIN : 01297508)

Anup Kumar Samal

Company Secretary

(Membership No:F4832)

Consolidated Statement of Cash Flows

 for the year ended 31 March 2024

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
A. Cash flow from operating activities		
Profit before tax and exceptional items	3,301	3,061
Exceptional items	-	(2,892)
Profit before tax	3,301	169
<i>Adjustments to reconcile net income to net cash provided by operating activities</i>		
Depreciation and amortization expense	84	88
Share of loss /(gain) from associates, net	95	(93)
Unrealized foreign exchange (gain)	3	(140)
Bad and doubtful debts, net	101	341
Unclaimed credit balances	(16)	(41)
(Gain) on sale of property, plant and equipment, net	(2)	(2)
(Gain) on sale/liquidation of investment in subsidiary	(152)	(50)
Interest expenses on lease liabilities	2	2
Interest expenses	253	285
Interest and Dividend income	(269)	(115)
Provision/(Reversal) for foreseeable losses on contracts	12	(1)
Provision for compensated absences and gratuity	62	70
Provision for liquidated damages	359	6
Provision for warranty	644	114
Operating profit before working capital changes	4,477	633
Changes in working capital		
(Increase) in trade receivables	(3,418)	(1,287)
(Increase) in other financial assets	(852)	(812)
Decrease in other assets	273	603
(Increase) in inventories	(6)	(18)
(Decrease)/Increase in trade payables	(397)	562
(Decrease)/Increase in other financial liabilities	(64)	139
Increase in other liabilities	2,054	1,667
(Decrease) in provisions	(472)	(363)
Cash generated from operating activities	1,595	1,124
Direct taxes paid, net	(260)	(275)
Net cash generated from operating activities (a)	1,335	849
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(119)	(52)
Proceeds from sale of property, plant and equipment and intangible assets	9	35
Proceeds from sale of investment in subsidiary	438	-
Dividend received	122	11
Interest received	140	67
Net movement in bank deposits	251	97
Net cash generated from investing activities (b)	841	158

Consolidated Statement of Cash Flows

 for the year ended 31 March 2024

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
C. Cash flow from financing activities		
Proceeds / Repayment from long term borrowings, net	1,476	(846)
(Repayment) of short term borrowings, net	(816)	(1,255)
Recognition / (Repayment) of lease liabilities	25	(18)
Interest paid	(249)	(281)
Net cash generated/ (used in) from financing activities (c)	436	(2,400)
D. Net change in cash and cash equivalents (a+b+c)	2,612	(1,393)
Effects of foreign currency translation	(19)	249
E. Cash and cash equivalents at the beginning of the year	2,066	3,210
F. Classified under assets held for sale	(260)	-
G. Cash and cash equivalents in Cash Flow Statement at the end of the year	4,399	2,066
Cash and cash equivalents at the end of the year include		
Cash on hand	16	9
Cheques on hand	270	312
Balances with banks		
- in current accounts	2,251	1,279
- in deposit account (with original maturity upto 3 months)	1,862	207
- classified under assets held for sale	-	260
Cash and cash equivalents as per note 13	4,399	2,066
Cash and cash equivalents in Cash Flow Statement	4,399	2,066

Notes 1 to 50 form an integral part of the consolidated financial statements

In terms of our report of even date attached

For and on behalf of the Board of Directors of **VA Tech Wabag Limited**

For **Sharp & Tannan**

Chartered Accountants

Firm's Registration No.: 003792S

V Viswanathan

Partner

(Membership No.: 215565)

Rajiv Mittal

Chairman & Managing Director

(DIN :01299110)

Milin Mehta

Director

(DIN : 01297508)

Skandaprasad Seetharaman

Chief Financial Officer

Anup Kumar Samal

Company Secretary

(Membership No.:F4832)

Place : Chennai

Date : 21 May 2024

Place : Chennai

Date : 21 May 2024

Consolidated Statement of Changes in Equity

for the year ended 31 March 2024

(All amounts are in millions of Indian Rupees, unless otherwise stated)

A. Equity Share Capital (Issued, Subscribed and fully paid up)

Particulars	Note	Amount
Balance as at 01 April 2022		124
Issued during the period	14	-
Balance as at 01 April 2023		124
Issued during the period		-
Balance as at 31 March 2024		124

B. Other Equity

Particulars	Note	Attributable to the equity holders of the Parent							Non-controlling interest	Total equity			
		Capital reserve	Debt Redemption Reserve	General reserve	Surplus in the statement of profit and loss	Legal reserve	Foreign currency translation reserve	Accumulated other comprehensive income			Total reserves and surplus	Securities premium reserve	Total attributable to the equity holders of the Parent
Balance as at 01 April 2022		1,584	-	334	8,829	7	624	(50)	11,328	3,939	15,267	(133)	15,134
Dividends		-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax		-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners/ Non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year		-	-	-	129	-	-	-	129	-	129	(20)	109
Movements in non-controlling interest		-	-	-	-	-	-	-	-	-	-	161	161
Effects of sale of subsidiary		(1)	-	-	(1)	-	2	-	(1)	-	(1)	-	(1)
Transfer between reserves		(10)	11	-	(1)	-	-	-	(0)	-	-	-	-
Other comprehensive income (net of tax)		-	-	-	-	-	232	(2)	230	-	230	(11)	219
Total comprehensive income		(11)	11	-	127	-	233	(2)	358	-	358	129	487
Balance as at 31 March 2023		1,573	11	334	8,955	7	857	(52)	11,686	3,939	15,625	(3)	15,621

Consolidated Statement of Changes in Equity

for the year ended 31 March 2024

(All amounts are in millions of Indian Rupees, unless otherwise stated)

B. Other Equity Contd.

Particulars	Note	Attributable to the equity holders of the Parent										Non-controlling interest	Total equity
		Reserves and surplus					Securities premium reserve	Total attributable to the equity holders of the Parent	Total reserves and surplus	Accumulated other comprehensive income	Foreign currency translation reserve		
		Capital reserve	Debt Redemption Reserve	General reserve	Surplus in the statement of profit and loss	Legal reserve							
Balance as at 01 April 2023		1,573	11	334	8,955	7	857	(52)	11,685	3,939	15,624	(3)	15,621
Dividends		-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax		-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners/ Non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year		-	-	-	2,456	-	-	-	2,456	-	2,456	48	2,504
Movements in non-controlling interest		-	-	-	-	-	-	-	-	-	-	-	-
Effects of sale of subsidiary		(32)	-	-	130	-	(97)	-	0	-	0	-	0
Transfer between reserves		1	(11)	-	(4)	-	(3)	-	(18)	-	(18)	-	(18)
Other comprehensive income (net of tax)		-	-	-	-	-	12	(12)	-	-	-	8	8
Total comprehensive income		(32)	(11)	-	2,582	-	(89)	(12)	2,438	-	2,438	56	2,494
Balance as at 31 March 2024		1,541	-	334	11,537	7	769	(64)	14,123	3,939	18,062	53	18,115

Notes 1 to 50 form an integral part of the consolidated financial statements

In terms of our report of even date attached

For **Sharp & Tannan**

Chartered Accountants

Firm's Registration No.: 003792S

V Viswanathan

Partner

(Membership No.: 2155665)

Rajiv Mittal

Chairman & Managing Director

(DIN : 01299110)

Milind Mehta

Director

(DIN : 01297508)

Skandaprasad Seetharaman

Chief Financial Officer

Anup Kumar Samal

Company Secretary

(Membership No.: F4832)

Place : Chennai

Date : 21 May 2024

Place : Chennai

Date : 21 May 2024

For and on behalf of the Board of Directors of **VA Tech Wabag Limited**

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

1. Nature of operations

VA Tech Wabag Limited ('Parent'), and its subsidiaries, its associates and joint venture (collectively referred to as 'Group') is one of the world's leading companies in the water treatment sector. The Group's principal activities include design, supply, installation, construction, operation and maintenance of drinking water, waste water treatment, industrial water treatment and desalination plants including production of energy from biogas and sludge management. The shares of the Parent are listed in the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Parent is domiciled in India and its registered office and its principal place of business is 'WABAG HOUSE', No.17, 200 Feet Thoraipakkam - Pallavaram Main Road, Sunnambu Kolathur, Chennai - 600 117.

2. Basis of preparation of Consolidated financial statements

General information and statement of compliance with Indian Accounting Standards (Ind AS)

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) Amendment Rules, 2016 as notified under section 133 of Companies Act, 2016 (the "Act"). In addition, the guidance notes/announcements issued by the Institute of Chartered Accountants of India (ICAI) are also applied except where compliance with other statutory promulgations require a different treatment.

The consolidated financial statements as at and for the year ended 31 March 2024 are approved and authorized for issue by the Board of Directors on 21 May 2024.

The consolidated financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on accrual basis except for certain financial assets and financial liabilities that have been measured at fair value. These consolidated financial statements are presented in millions of Indian Rupees which is also the Parent's functional currency, except per share data and as otherwise stated. Figures for the previous years have been regrouped/rearranged wherever considered necessary to conform to the figures presented in the current year.

Recent Pronouncements

There are no standards of accounting or any addendum thereto, prescribed by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013, which are issued and not effective as at 31 March 2024.

Basis of consolidation

The consolidated financial statements include the financial statements of the Parent and all of its subsidiaries, associates as listed below. The financial statements of the subsidiaries, associates forming part of these consolidated financial statements are drawn up to 31 March 2024. All material inter-company transactions and balances are eliminated on consolidation. The following subsidiaries, associates have been included in the consolidated financial statements:

Particulars	Country of incorporation	Percentage of holding/interest as at	
		As at 31 March 2024	As at 31 March 2023
Subsidiaries			
VA Tech Wabag (Singapore) Pte Ltd	Singapore	100	100
VA Tech Wabag (Philippines) Inc	Philippines	100	100
VA Tech Wabag Limited Pratibha Industries Limited JV ⁽⁷⁾	Nepal	100	100
Wabag Limited ⁽¹⁾	Thailand	-	90.6
Wabag Muhibbah JV SDN BHD	Malaysia	70	70
VA Tech Wabag GmbH	Austria	100	100
Wabag Wassertechnik AG ⁽²⁾	Switzerland	-	100
VA Tech Wabag Deutschland GmbH	Germany	100	100
Wabag Water Services s.r.l	Romania	100	100
VA Tech Wabag Tunisie s.a.r.l.	Tunisia	100	100

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	Country of incorporation	Percentage of holding/interest as at	
		As at 31 March 2024	As at 31 March 2023
VA Tech Wabag Su Teknolojisi Ve Tic. A S	Turkey	100	100
VA Tech Wabag Muscat LLC	Oman	70	70
VA Tech Wabag and Roots Contracting L.L.C. – Project I	Qatar	60	60
Wabag Belhasa JV WLL	Bahrain	100	100
DK Sewage Project Private Limited ⁽³⁾	India	-	100
Ghazaibad Water Solutions Private Limited ⁽⁴⁾	India	100	100
Kopri Bio Engineering Private Limited ⁽⁵⁾	India	-	51
Associates			
Windhoek Goreangab Operating Company (Pty) Limited	Namibia	33	33
Ganga STP Project Private Limited ⁽⁶⁾	India	26	26
DK Sewage Project Private Limited ⁽³⁾	India	49.8	-
VA Tech Wabag and Roots Contracting L.L.C. – Project II	Qatar	49	49
VA Tech Wabag and Roots Contracting L.L.C. – Project III	Qatar	25	25

⁽¹⁾Wabag Limited, in Thailand has been liquidated on 3 November 2023.

⁽²⁾Wabag Wassertechnik AG in Switzerland 100% stake has been sold on 12 April 2023. The carrying value of assets and liabilities of the entity as at 31 March 2023 were classified as "Held for Sale" in accordance with Indian Accounting Standard (Ind AS) 105 'Non-current assets held for sale and discontinued operations'.

⁽³⁾DK Sewage Project Private Limited was incorporated on 26 September 2019 as a project specific entity. The Parent has entered into a Share Holder's Agreement with Madhya Pradesh Waste Management Private Limited ("MPWMPL") on 29 March 2024 for subscription of the Company's Securities. Debenture application money of ₹153.50 million was received. Pursuant to this agreement, the control has been transferred to MPWMPL as on 29 March 2024 hence the entity been treated as associate, instead of subsidiary as on reporting date.

⁽⁴⁾Ghazaibad Water Solutions Private Limited was incorporated on 30 April 2020 as a project specific entity.

⁽⁵⁾Kopri Bio Engineering Private Limited has been incorporated on 27 November 2020 as a project specific entity. As the Company doesn't have the control neither on the activity nor with management, hence deconsolidation been done with effective from of 4 July 2023.

⁽⁶⁾Ganga STP Project Private Limited has been incorporated on 5 April 2019 as a project specific entity.

⁽⁷⁾The Group had entered into a joint venture with Pratibha Industries Limited in Nepal to execute a project. Considering the fact that the Group has control over the governing body and thereby has power over the entity, has rights to variable returns from its involvement with the entity and has the ability to use its power over the entity to affect the amount of its returns, the same has been treated as a subsidiary in the consolidated financial statements.

Pursuant to exclusive contractual arrangements providing for a majority share in the economic interests and control of voting power differently to the shareholders in each of the projects, i.e. Project – I, Project- II and Project-III are being executed under the same legal entity VA Tech Wabag and Roots Contracting LLC. These projects have been treated as separate enterprises with varying controlling interests and accordingly Project-I is consolidated for as a subsidiary and Project-II and Project-III are consolidated for as an associate.

The Group had entered into a joint venture with Belhasa Projects LLC, Dubai to execute a project in Bahrain. Considering the fact that the group has control over the governing body and over the operating and financial decisions of the joint venture entity, Wabag Belhasa JV, the same has been treated as a subsidiary in the consolidated financial statements.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Principles of consolidation

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Ind AS 110 - Consolidated Financial Statements, Ind AS 28 - Accounting for Investments in Associates and Joint Ventures and accounting standards as specified in the Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses resulting from intra-group transactions are also eliminated except to the extent recoverable value of related assets is lower than their cost to the Group. Profit or loss of subsidiaries acquired or disposed during the year is recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted.

Subsidiaries are all entities over which the Group exercises control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group and are deconsolidated from the date the control ceases.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss and consolidated balance sheet respectively. Non-controlling interests in net profits/losses of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the owners of the Parent. Their share of net assets is identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual/legal obligation on the minorities, the same is accounted for by the Parent, except where there is a contractual/legal obligation on minority interests.

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Interests in joint venture are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint venture are recognised as a reduction in the carrying amount of the investment. After the investor's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the investee. If the investee subsequently reports profits, the investor resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. Unrealised gains on transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The carrying amount of equity accounted investments are tested for impairment annually, or more frequently if events or changes in circumstances indicate that they might be impaired.

Excess of acquisition cost over the carrying amount of the Parent's share of equity of the acquiree at the date of acquisition is recognized as goodwill. In cases where the share of the equity in the acquiree as on the date of acquisition is in excess of acquisition cost, such excess of share in equity is recognised as 'Capital reserve' and classified under 'Reserves and Surplus'. The Parent's share of equity in the subsidiary is determined on the basis of book values of assets and liabilities as per the financial statements of the subsidiary as at the date of acquisition.

The construction cost incurred by the Group as part of the Build-Own-Operate-Transfer (BOOT) contract is considered as exchanged with the grantor against the right to operate and generate revenues from the project and the profit from such contract is considered as realized. Accordingly, the BOOT contract awarded to the entities of the Group where work is subcontracted to other entities within the Group, the intra-group transactions on the BOOT contract and the profits arising thereon are taken as realized and not eliminated on consolidation under Ind AS 110.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

The amounts shown in respect of reserves comprise the amount of relevant reserves as per the balance sheet of the Parent and its share in the relevant reserves of the subsidiary.

As per Ind AS 110 - Consolidated Financial Statements prescribed under the Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 only the notes involving items which are material need to be disclosed. Materiality for this purpose is assessed in relation to the information contained in the consolidated financial statements. Further, additional statutory information disclosed in separate financial statements of the subsidiary or the Parent having no bearing on the true and fair view of the consolidated financial statements of the group are not disclosed in the consolidated financial statements.

Overall considerations

The consolidated financial statements have been prepared using the accounting policies and measurement basis summarized below. These accounting policies have been used throughout all periods presented in the financial statements.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

3. Summary of material accounting policies

3.1 Revenue recognition

Revenue is measured at the fair value of consideration received or receivable by the Group for goods supplied and services provided, excluding trade discounts and other applicable taxes. Revenue is recognized upon transfer of control of promised goods or services under a contract.

Revenue is recognized when the amount can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the Group, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Group's different activities has been met.

The Group derives revenues from two types of contracts:

- a. **Construction contracts** - Customer contracts towards delivering a water treatment facility and its associated infrastructure, that is fit for purpose as per the contract
- b. **Operation and maintenance contracts** - Customer contracts towards operation and maintenance of water treatment facilities and its associated infrastructure.

The Group determines its performance obligations included in the contracts signed with customers, which in general is a single performance obligation. When a customer contract includes both a construction and operation & maintenance, the performance obligations are separately identified and revenue is recognized in accordance with the principles of Ind AS 115.

Construction contracts:

Construction contracts generally involve design, supply, construction, installation and commissioning of water treatment facilities and its associated infrastructure on turnkey basis. Construction contracts include both EPC contracts (Contracts with scope of design, supply, construction, installation and commissioning) and EP contracts (Contracts with scope of design, supply, installation and commissioning).

The transaction price is usually a fixed consideration with a variable consideration on a case to case basis. Variable consideration (penalties, damages, claims, bonus etc.) is included in the transaction price to the extent it is highly probable that a significant reversal in the amount of revenue recognized will not occur.

Construction contracts usually have a single performance obligation, wherein the control of goods and services are transferred progressively over the period of the contract. The group satisfies its performance obligation upon completing the scope of the construction contract and achieving customer acceptance.

Contract revenue and Contract costs in respect of construction contracts, execution of which is spread over different accounting periods is recognized as revenue and expense respectively by using of percentage of completion method at the reporting date.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

The percentage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Only costs that reflect work performed are included in cost incurred to date.

When the Group cannot measure the outcome of a contract reliably, revenue is recognized only to the extent of contract costs that have been incurred and are recoverable. In situations when it is probable that the total contract costs will exceed total contract revenues, the expected loss is recognized immediately in the statement of profit and loss.

Operation and maintenance contracts:

Operation and maintenance contracts involve operation and maintenance services for water treatment facilities and supply of spares. Revenue from operation and maintenance contracts are recognized as the services are provided and invoiced to the customer, as per the terms of the contract.

The amount due from customers for operation and maintenance contracts are presented as "Trade receivable". Prepayments received from customers in advance of performance under the contract are presented as contract liabilities and represented as "Advances from customers" as part of other current liabilities.

Service Concession Arrangements

Service Concession Arrangements ('SCA') refers to an arrangement between the grantor (a public sector entity) and the operator (a private sector entity), typically involving the operator constructing the infrastructure used to provide the public service or upgrading it and operating and maintaining that infrastructure for a specified period of time. The operator is paid for its services over the period of the arrangement.

Revenue and costs of an SCA are allocated between the respective performance obligations, relating to construction services and operation and maintenance services, and accounted for separately. The infrastructure used in a concession is recognized as an intangible asset or a financial asset, based on the nature of the payment entitlements under the SCA.

When the operator has an unconditional right to receive cash or another financial asset from or at the direction of the grantor, such right is recognised as a financial asset and is subsequently measured at amortised cost. When the operator receives a right to charge users of the public service, such right is recognised an intangible asset and amortised over the period of the SCA. The receivables under SCA are classified and disclosed under other financial asset.

3.2 Dues from Customers for construction contract work and Billing in Advance of work completed

The gross amount due from customers for contract work, in excess of the amounts presented as "Trade receivable", are presented as contract assets under "Due from customers for construction contract work" as part of other current assets. Due from customers for construction contract work represents costs incurred plus recognized profits (less recognized losses) in excess of progress billing for all contracts in progress.

The gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognized profits (less recognized losses) is presented as contract liabilities under "Billing in advance of work completed" as part of other current liabilities. Amounts received from customers in advance of performance under the contract are also presented as contract liabilities and represented as "Advances from customers" as part of other current liabilities.

3.3 Trade Receivables

Trade Receivables are recognised based on invoices submitted and certified by the customer. Trade receivables are recognized at their transaction price as the same do not contain significant financing component.

3.4 Expected Credit Losses

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

The Group follows 'simplified approach' for recognition of impairment loss allowance on trade receivables which does not require the Group to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

3.5 Cost of sales and services

Cost of sales and services comprise costs that are directly related to the contract, attributable to the contract activity in general and such costs that can be allocated to the contract and specifically chargeable to the customer under the terms of the contracts, which is charged to the statement of profit and loss.

Costs related to construction contracts incurred towards engineering, construction, installation and supervision of the project is recognised in the period in which the relevant services are procured or delivered to the project.

Equipments, fabricated items & specialised items for the purpose of construction of water treatment facilities are manufactured by suppliers based on the engineering drawings and specifications approved by the customers. Costs related to construction contracts incurred towards procurement of equipments, fabricated items & specialised items for are recognised over the production and delivery cycle of each such item, in line with the manufacturing progress milestones.

3.6 Trade Payables

Trade Payables are recognised based on invoices submitted by the Suppliers and Sub-Contractors to the Group on reaching the milestones as prescribed in the relevant Purchase/Work orders.

3.7 Unbilled Payables

Costs incurred representing progress of work done, on the reporting date, pending invoicing by the suppliers, are disclosed under "Unbilled Payables" as part of other current liabilities.

3.8 Significant management judgment in applying accounting policies and estimation uncertainty

When preparing the consolidated financial statements, management makes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

(i) Significant management judgments

The following are significant management judgments in applying the accounting policies of the Group that have the most significant effect on the consolidated financial statements.

Recognition of construction contract and operation & maintenance revenues

Recognizing construction contract revenue requires significant judgement in determining actual work performed and the estimated costs to complete the work (refer note 23). Significant judgments are used in:

- a. Estimating the revenue to be recognised in case of construction contracts where revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation as the performance obligation is satisfied over a period of time.
- b. Assessing the amount and period with respect to the variable consideration, requiring an adjustment to the transaction price.

Recognizing revenue from operation and maintenance services requires significant understanding, based on historical experience and knowledge of the market, in relation to:

- a. The nature and timing of the services provided to the customers
- b. The pattern of consumption of those services.

4. Summary of other accounting policies

4.1 Investments in subsidiaries, associates, joint venture and joint operations

Investments in subsidiaries are being recognised at cost less impairment, if any. Investments in associates and joint venture are accounted for using the equity method of accounting, after initially being recognised at cost less impairment, if any. Investments in joint operations are accounted for using proportionate consolidation method in the consolidated financial statements.

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(All amounts are in millions of Indian Rupees, unless otherwise stated)

4.2 Foreign currency translation

4.2.1 Financial reporting and presentation currency

The consolidated financial statements are presented in Indian Rupees, which is also the functional currency of the Parent.

4.2.2 Foreign currency transactions and balances

Foreign currency transactions are translated into the respective functional currencies of the entities of the Group, using the exchange rates prevailing at the dates of the transactions, duly approximated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the measurement of monetary items denominated in foreign currency at year-end exchange rates are recognized as other income/ other expenses respectively in statement of profit and loss.

Non-monetary items are not translated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

4.3 Revenue recognition - Interest, dividends, duty drawback and other entitlements

Income from interest is recognized using effective interest method taking into account the amount outstanding and the applicable rate of interest.

Dividend income is recognised when the right to receive is established as at the reporting date.

Income from duty drawback and export benefit under duty free credit entitlements is recognized in the statement of profit and loss, when the right to receive license as per terms of the scheme is established in respect of exports made and there is no significant uncertainty regarding the ultimate collection of the export proceeds, as applicable.

4.4 Property, plant and equipment

4.4.1 Land

Land (other than investment property) held for use in operations or administration is stated at cost. As no finite useful life for land can be determined, related carrying amounts are not depreciated.

4.4.2 Buildings and other equipment

Buildings and other equipment (comprising plant and machinery, furniture and fittings, electrical equipment, office equipment, computers, vehicles and right to use assets) are initially recognized at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by the Group's management. Buildings and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses. Right to use assets are recognised as per Ind AS-116 (Refer note 34(c)) for details of recognition and measurement.

Advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work-in-progress.

Subsequent expenditure incurred on an item of property, plant and equipment is added to the book value of that asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation on assets is provided on straight line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except for vehicles where the management believes that the useful life of 5 years would best represent the period over which the management expects to use these assets and the residual value is 20% of the acquisition cost which is considered to be the amount recoverable at the end of the asset's useful life. Hence the useful life of these assets is different from that prescribed under Part C of Schedule II to the Companies Act, 2013.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognized in the statement of profit and loss within other income or other expenses.

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The components of assets are capitalized only if the life of the components vary significantly and whose cost is significant in relation to the cost of respective asset. The life of components is determined based on technical assessment and past history of replacement of such components in the assets.

4.5 Intangible assets

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

Software is stated at cost less accumulated amortization and are being amortized on a straight line basis over the estimated useful life of 5 years.

Amortization has been included within depreciation and amortization expense.

Gains or losses that arise on disposal or retirement of an intangible asset are measured as the difference between net disposal proceeds and the carrying value of an intangible asset and are recognized in profit and loss when the intangible asset is derecognized.

The amortization period and method are reviewed at each balance sheet date. Residual values and useful lives are reviewed at each reporting date. In addition, they are subject to impairment as detailed in note below.

4.6 Impairment testing of property, plant and equipment and intangible assets

For the purpose of impairment assessment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill (if any) is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the assets' (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

4.7 Leases

The group recognizes lease contracts as per the single lease accounting model for lessee's. The model requires a lessee to recognize right-of-use assets and corresponding lease liabilities for all leases with a lease term of more than 12 months, unless the underlying asset is of a low value. For such leases the lease payments are recognized as an operating expense on a straight line basis over the term of the lease contract.

The recognition, measurement, presentation and disclosure of leases are in accordance with the principles of the standard. At the time of initial measurement, the lease liabilities are recognized at the present value of lease payments payable. The lease liability is discounted at the interest rate implicit to the lease, or incremental borrowing rate to arrive at the present value. The lease liabilities are diluted over the remaining lease period by lease payments. The right-of-use assets are initially recognized at lease liability amount. The right-of-use assets are thereafter depreciated over the period of lease term or the useful life of underlying asset whichever is lower. An impairment loss is recognised where the carrying amount of right-of-use asset exceeds its recoverable amount.

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The Group determines the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on the expected lease term on a lease-by-lease basis.

4.8 Financial instruments

Financial assets (other than trade receivables) and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit and loss which are measured initially at fair value.

Subsequent measurement of financial assets and financial liabilities are described below.

4.8.1 Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement financial assets are classified and measured based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset at:

- a. Amortized cost
- b. Fair Value Through Other Comprehensive Income (FVTOCI) or
- c. Fair Value Through Profit and Loss (FVTPL)

All financial assets are reviewed for impairment at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets are impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

4.8.1.1 Financial assets at amortized Cost

A financial asset is subsequently measured at amortized cost using effective interest rate if it is held within a business model where the objective is to hold the financial assets to collect contractual cash flows and the contractual terms gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

4.8.1.2 Financial assets at Fair Value Through Other Comprehensive Income (FVTOCI)

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model where the objective is both collecting contractual cash flows and selling financial assets along with the contractual terms giving rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. At initial recognition, the Group, based on its assessment, makes an irrevocable election to present in other comprehensive income the changes in the fair value of an investment in an equity instrument that is not held for trading. These elections are made on an instrument-by-instrument (i.e., share-by-share) basis. If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, impairment gains or losses and foreign exchange gains and losses, are recognized in other comprehensive income. There is no recycling of the amounts from OCI to profit or loss, even on sale of investment. The dividends from such instruments are recognized in statement of profit and loss.

The fair value of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in other comprehensive income and shall not reduce the carrying amount of the financial asset in the balance sheet.

4.8.1.3 Financial assets at Fair Value Through Profit and Loss (FVTPL)

Financial assets at FVTPL include financial assets that are designated at FVTPL upon initial recognition and financial assets that are not measured at amortized cost or at fair value through other comprehensive income. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply. Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair value of financial

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assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

The loss allowance at each reporting period is evaluated based on the expected credit losses for next 12 months and credit risk exposure. The Group shall also measure the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. The loss allowance shall be recognized in profit and loss.

4.8.2 Hedge accounting

To qualify for hedge accounting, the hedging relationship must meet the conditions with respect to documentation, probability of occurrence of the hedged transaction and hedge effectiveness.

These arrangements have been entered into to mitigate currency exchange risk arising from certain legally binding sales and purchase orders denominated in foreign currency. For the reporting periods under review, the Group has not designated any forward currency contracts as hedging instruments.

4.8.3 Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e. removed from the Group's consolidated balance sheet) when:

- i. The rights to receive cash flows from the asset have expired, or
- ii. The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

4.8.4 Classification, subsequent measurement and derecognition of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or at amortized cost. The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

4.8.5 Subsequent measurement

Financial liabilities are measured subsequently at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognized less cumulative amortization.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

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4.8.6 Derecognition

A financial liability is derecognized 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 recognized in the statement of profit and loss.

4.9 Inventories

Inventory of stores and spares are stated at lower of cost and net realizable value and is determined on weighted average cost method. Cost of inventories include all other costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost to completion and applicable selling expenses.

Contract inventories are contract costs incurred for a future activity on a contract and are recognized as an asset if it is probable that they would be recovered. The cost comprises of material and other expenses directly attributable to the contract.

4.10 Income taxes

Tax expense recognized in the statement of profit and loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

Calculation of current tax is based on tax rates in accordance with tax laws that have been enacted or substantively enacted as at the reporting period. Deferred income taxes are calculated using the liability method on temporary differences between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at reporting date. Deferred taxes pertaining to items recognized in other comprehensive income are also disclosed under the same head.

Deferred tax assets are recognized to the extent that it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the respective entity's forecast of future opening results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. Deferred tax is not provided on the initial recognition of goodwill, or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit.

Deferred tax liabilities are generally recognized in full, although Ind AS 12 'Income Taxes' specifies limited exemptions. As a result of these exemptions the Group does not recognize deferred tax liability on temporary differences relating to goodwill, or to its investments in subsidiaries.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in the statement of profit and loss, except where they relate to items that are recognized in other comprehensive income (such as the re-measurement of defined benefit plans) or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

4.11 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 3 months from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.12 Equity, reserves and dividend payments

Share capital represents the nominal (par) value of shares that have been issued and paid-up.

Other components of equity include the following:

- i. Accumulated other comprehensive income which includes re-measurement of net defined benefit liabilities.
- ii. General reserve represents the accumulated surplus transferred from the statement of profit and loss.
- iii. Securities premium reserve includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from securities premium, net of any related income tax benefits.

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- iv. Surplus in the statement of profit and loss includes all current and previous period retained profits.
- v. Stock option outstanding account includes the value of equity-settled share based payment transactions with employees.
- vi. All transactions with owners of the parent and non-controlling interests are recorded separately within equity.

4.13 Post-employment benefits and short-term employee benefits

Parent

A. Defined contribution plan

- a. Contribution to Provident Fund in India and other defined contribution plans in the other entities of the Group are in the nature of defined contribution plan and are made to a recognized fund.
- b. Contribution to Superannuation Fund is in the nature of defined contribution plan and is remitted to insurance company in accordance with the scheme framed by the Corporation.

The Group has no legal or constructive obligations to pay contributions in addition to its fixed contributions.

i. Provident fund and Employee state insurance scheme

The Parent makes contribution to the statutory provident fund and employee state insurance scheme in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employees' State Insurance Act, 1948. These contributions, paid or payable, are recognized as an expenses in the period in which it falls due.

ii. Other funds

The Group's contribution towards defined contribution plan is accrued in compliance with the requirement of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are done. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

iii. Superannuation fund

Contribution made towards Superannuation Fund (funded by payments to an insurance company) is charged as expenses on accrual basis. There are no obligations other than the contribution made to respective fund.

B. Defined benefit plans

Under the Group's defined benefit plans, the amount of benefit that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The legal obligation for any benefits remains with the Group, even if plan assets for funding the defined benefit plan have been set aside. Plan assets may include assets specifically designated to a long-term benefit fund as well as qualifying insurance policies.

The defined benefit funds maintained by the Group are as below:

i. Gratuity

The liability recognized in the statement of financial position for defined benefit plans is the present value of the defined benefit obligation (DBO) at the reporting date less the fair value of plan assets. The Group estimates the DBO annually with the assistance of independent actuaries. This is based on standard rates of inflation, salary growth rate and mortality. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related gratuity liability.

Service cost on the Group's defined benefit plan is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost. Actuarial gains and losses resulting from measurements of the net defined benefit liability are included in other comprehensive income.

The plan assets represent qualifying insurance policies that are administered by an Insurance company.

ii. Leave salary - compensated absences

The Group also extends defined benefit plans in the form of compensated absences to employees. Provision for compensated absences is made on actuarial valuation basis.

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Overseas entities

Defined contribution

The Group's contribution towards defined contribution plan is accrued in compliance with the requirement of the domestic laws of the countries in which the consolidated entities operate in the year of which the contributions are done. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Defined benefit liability

The Group estimates the defined benefit liability annually. The actual outcome may vary due to estimation uncertainties. The estimate of its defined benefit liability is based on standard rates of inflation, medical cost trends and mortality. It also takes into account the Group's specific anticipation of future salary increases. Discount factors are determined close to each year-end by reference to high quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Estimation uncertainties exist particularly with regard to medical cost trends, which may vary significantly in future appraisals of the Group's defined benefit obligations.

4.14 Employees stock option plan

Share-based compensation benefits are provided to employees via "Employees Stock Option Scheme 2010" of the Parent.

The fair value of options granted under the "Employees Stock Option Scheme" is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- a) including any market performance conditions (e.g., the entity's share price).
- b) excluding the impact of any service and non-market performance vesting conditions (e.g. profitability, sales growth targets and remaining an employee of the entity over a specified time period), and
- c) including the impact of any non-vesting conditions (e.g. the requirement for employees to save or holding shares for a specific period of time).

4.15 Provisions, contingent assets and contingent liabilities

Provisions for warranties, legal disputes, or other claims are recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Group is virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities if the outflow of resources is remote.

The Group does not recognize contingent assets unless the realization of the income is virtually certain, however these are assessed continually to ensure that the developments are appropriately disclosed in the consolidated financial statements.

4.16 Earnings per equity share

Basic earnings per equity share is calculated by dividing the net profit or loss for the period attributable to owners of the parent by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares). For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to the owners of the parent and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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4.17 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before exceptional items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future receipts or payments. In the cash flow statement, cash and cash equivalents includes cash in hand, cheques on hand, balances with banks in current accounts and overdraft accounts and other short- term highly liquid investments with original maturities of 3 months or less, as applicable.

4.18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

4.19 Segment reporting

a. Identification of segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Group is engaged in the construction and maintenance of water treatment plants across geographies. The entities in the Group are organized and managed separately according to their respective geographical location. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

b. Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

c. Segment accounting policies

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

4.20 Significant management judgment in applying accounting policies and estimation uncertainty

When preparing the consolidated financial statements, management makes a number of judgments, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

(i) Significant management judgments

The following are significant management judgments in applying the accounting policies of the Group that have the most significant effect on the consolidated financial statements.

Recognition of deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forwards can be utilized. In addition, significant judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

(ii) Estimation uncertainty

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash- generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

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Inventories

The Group estimates the net realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Defined benefit obligation (DBO)

Group's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses (Refer note 19 (e)).

Useful lives of depreciable assets

Group reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Fair value measurement

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

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

The Group uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets.

This involves developing estimates and assumptions consistent with how market participants would price the instrument. The Group bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date (Refer note 39).

Current and non-current classification

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Considering the nature of business activities of the Group, the time between deploying of resources for projects/contracts and their realization in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

4.21 Transfer pricing

As per the transfer pricing norms introduced in India with effect from 01 April, 2001, the Group is required to use certain specific methods in computing arm's length price of international transactions with the associated enterprises and maintain prescribed information and documents relating to such transactions. The appropriate method to be adopted will depend on the nature of transactions/class of transactions, class of associated persons, functions performed and other factors, which have been prescribed. The transfer pricing study for the fiscal year ended 31 March, 2024 is in progress and accordingly, the contracts may be amended subsequently and related adjustment, if any, will be quantified upon completion of this study. However, in the opinion of the Group management, the outcome of the study will not have material impact on the Group's results.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

5. Property, Plant and Equipment and Intangible Assets

Particulars	Property, plant and equipment							Intangible assets		
	Freehold land	Buildings	Plant and machinery	Furniture and fittings	Electrical equipment	Office equipment	Computers	Vehicles	Right to use asset ⁽¹⁾	Total
Gross carrying value										
Balance as at 01 April 2022	170	404	70	227	56	121	78	64	173	1,363
Additions	0	-	-	1	0	0	5	23	18	47
Disposals	-	1	2	18	0	4	9	18	29	81
Assets held for sale	-	-	30	22	-	52	23	16	-	143
Effects of foreign currency translation	-	(0)	1	(0)	1	6	-	(11)	8	5
Balance as at 31 March 2023	170	403	39	188	57	71	51	42	170	1,191
Balance as at 01 April 2023	170	403	39	188	57	71	51	42	170	1,191
Additions	-	-	-	3	0	2	20	28	60	113
Disposals	0	-	-	1	-	-	24	14	14	53
Assets held for sale	-	-	12	9	-	22	10	6	-	59
Effects of foreign currency translation	-	(0)	(0)	(0)	-	(1)	-	(0)	(1)	(2)
Balance as at 31 March 2024	170	403	27	181	57	50	37	50	215	1,190
Accumulated depreciation/amortization										
Balance as at 01 April 2022	-	46	33	185	45	84	66	50	87	596
Depreciation/amortization expense for the year	-	7	4	22	5	4	7	9	26	84
Reversal on disposal of assets	-	0	1	13	0	4	9	13	17	57
Assets held for sale	-	-	30	21	-	49	20	15	-	135
Effects of foreign currency translation	-	(0)	(6)	(16)	0	2	(4)	6	3	(15)
Balance as at 31 March 2023	-	53	-	157	50	37	40	37	99	473
Balance as at 01 April 2023	-	53	-	157	50	37	40	37	99	473
Depreciation/amortization expense for the year	-	7	2	22	5	2	3	9	28	78
Reversal on disposal of assets	-	-	-	1	-	-	24	11	13	49
Assets held for sale	-	-	-	-	-	-	-	-	-	-
Effects of foreign currency translation	-	(0)	(0)	(0)	-	(1)	-	(0)	-	(1)
Balance as at 31 March 2024	-	60	2	178	55	38	19	35	114	501
Net carrying value										
Balance as at 31 March 2023	170	350	39	31	7	34	11	5	71	718
Balance as at 31 March 2024	170	343	25	3	2	12	18	15	101	689

⁽¹⁾ Refer note 34(C) for details of category of assets of right to use assets.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

6. Investments

Particulars	As at 31 March 2024	As at 31 March 2023
Non-current		
Investments carried at cost		
Investments accounted for using the equity method		
Windhoek Goreangab Operating Company (Pty) Limited, Namibia (33 (Previous year: 33) equity shares of Namibian Dollar 1 each)	35	38
VA Tech Wabag and Roots Contracting L.L.C, Qatar- Project-II and Project-III ⁽¹⁾ (98 (Previous year : 98) equity shares of Qatari Rial 1,000 each)	18	109
DK Sewage Project Private Limited (3,589,999 equity shares of ₹10 each) (19,080,000 8% Non convertible debentures of ₹10 each)	334	-
Ganga STP Project Private Limited (50,999 (Previous year: 50,999) equity shares of ₹10 each) (96,99,000 (Previous year: 96,99,000) compulsory convertible preference shares of ₹10 each) (85,15,000 (Previous year: 85,15,000) 9% non convertible debentures of ₹10 each)	241	268
	628	415
Investments carried at fair value through profit and loss		
Investments in equity instruments of other companies (fully paid-up)		
First STP Private Limited (150,000 (Previous year :150,000) equity shares of ₹10 each)	2	2
Konark Water Infraprojects Private Limited ⁽²⁾ (5,000 (Previous year : 5,000) equity shares of ₹10 each)	0	0
Aurangabad City Water Utility Company Limited ⁽³⁾ (5,000 (Previous year : 5,000) equity shares of ₹10 each)	0	0
Ganapati Marine Enterprises Private Limited ⁽⁴⁾ (769 (Previous Year: 419) equity shares of ₹10 each)	-	-
Ujams Wastewater Treatment Company (Pty) Ltd. (84 (Previous Year: 84) equity shares of NAD 1 each)	41	41
	43	43
Total non-current investments	671	458
Aggregate amount of unquoted investments	671	458
Aggregate amount of impairment in the value of investments	-	-
Extent of investment in those accounted for using the equity method⁽⁵⁾		
Windhoek Goreangab Operating Company (Pty) Limited, Namibia	33.0%	33.0%
VA Tech Wabag and Roots Contracting L.L.C, Qatar- Project-II ⁽¹⁾	49.0%	49.0%
VA Tech Wabag and Roots Contracting L.L.C, Qatar- Project-III ⁽¹⁾	25.0%	25.0%
Ganga STP Project Private Limited	26.0%	26.0%
DK Sewage Project Private Limited	49.8%	-

⁽¹⁾Pursuant to an exclusive contractual arrangement providing for a majority share in the economic interests and control of voting power in the Project-I of VA Tech Wabag and Roots Contracting L.L.C, Qatar, the investment was classified as a subsidiary at inception. During the year ended 31 March 2016 and 31 March 2020 for Project-II and Project-III respectively, a similar arrangement providing for majority rights in the new projects to the partner was agreed and hence the investment in the legal entity has been accordingly reclassified as an associate based on economic interests in the projects respectively as against the ownership in the entity.

⁽²⁾Since the amount of investment is ₹50,000 (31 March 2023 : ₹50,000), the same is below the rounding off norm adopted by the Group.

⁽³⁾Since the amount of investment is ₹50,000 (31 March 2023 : ₹50,000), the same is below the rounding off norm adopted by the Group.

⁽⁴⁾Since the amount of investment is ₹7,690 (31 March 2023 : ₹4,190), the same is below the rounding off norm adopted by the Group.

⁽⁵⁾Also refer note 44- Interest in other entities.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

7. Trade Receivables (Unsecured considered good, unless stated otherwise)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Trade receivables	-	19,418	-	14,618
Customer retention	5,304	493	6,871	450
	5,304	19,911	6,871	15,068
Credit impaired				
- Trade receivables and customer retention	227	1,206	-	1,293
Less: Allowances for expected credit loss				
- Trade receivables and customer retention	(227)	(1,206)	-	(1,293)
	-	-	-	-
	5,304	19,911	6,871	15,068

Ageing for trade receivables - billed – Non current outstanding as at 31 March 2024 is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables – considered good	4,300	-	-	-	-	-	4,300
ii) Undisputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables considered good	1,004	-	-	-	-	-	1,004
v) Disputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	227	-	-	-	-	-	227
Total	5,531	-	-	-	-	-	5,531
Less: Allowance for expected credit loss							(227)
Trade Receivables - Non Current							5,304

Ageing for trade receivables - billed – Non current outstanding as at 31 March 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables – considered good	5,623	-	-	-	-	-	5,623
ii) Undisputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables considered good	1,248	-	-	-	-	-	1,248
v) Disputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Total	6,871	-	-	-	-	-	6,871

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

7. Trade Receivables *Contd.*

Ageing for trade receivables - billed – current outstanding as at 31 March 2024 is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables – considered good	6,490	7,849	2,680	2,013	632	113	19,777
ii) Undisputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables- Credit Impaired	11	1	90	163	44	690	999
iv) Disputed Trade Receivables considered good	-	-	-	82	52	-	134
v) Disputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	26	26	155	207
Total	6,501	7,850	2,770	2,284	754	958	21,117
Less: Allowance for expected credit loss							(1,206)
Trade Receivables - Current							19,911

Ageing for trade receivables - billed –current outstanding as at 31 March 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment						Total
	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
i) Undisputed Trade Receivables – considered good	6,861	4,287	2,396	1,092	260	50	14,946
ii) Undisputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables- Credit Impaired	-	-	72	107	55	761	995
iv) Disputed Trade Receivables considered good	-	-	-	95	23	4	122
v) Disputed Trade Receivables - Which has significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	21	14	263	298
Total	6,861	4,287	2,468	1,315	352	1,078	16,361
Less: Allowance for expected credit loss							(1,293)
Trade Receivables - Current							15,068

The carrying amount of the current trade receivables and customer retention is considered a reasonable approximation of fair value as it is expected to be collected within twelve months, such that the effect of any difference between the effective interest rate applied and the estimated current market rate is not significant.

Trade Receivables include dues from related parties amounting to ₹532 Millions (31 March 2023: ₹ 404 Millions). There are no receivables due from directors or other officers.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

7. Trade Receivables *Contd.*

All of the Group's trade receivables and customer retentions have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of ₹140 Millions (Year ended 31 March 2023 : ₹79 Millions) has been created/ (utilised) respectively within other expenses. The Group has provided for expected credit loss on its trade receivables using a provisioning matrix and specific provisioning, where appropriate, representing expected credit losses based on a range of outcomes.

Movement in allowances for expected credit loss

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Balance at the beginning of the year	1,293	1,214
Additions during the year, net	140	80
Utilized during the year, net	-	(1)
Balance at the end of the year	1,433	1,293

8. Other Financial Assets (Unsecured, considered good)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Security deposits	421	100	409	139
Bank balances*	64	-	125	-
Tender deposits	-	89	-	17
Rental deposits	0	23	1	30
Advances to employees	3	19	2	40
Receivables under Service Concession Arrangements	-	66	-	25
Dues from customers for construction contract works under Service Concession Arrangements	1,505	-	324	674
Other financial assets	-	48	-	7
	1,993	345	861	932

There are no financial assets due from directors or other officers of the Parent. The carrying amount of the current financial assets are considered as a reasonable approximation of fair value.

Refer Note 40 for description of Group's financial instrument risks, including risk management objectives and policies.

*Non-current bank balances represents interest bearing deposits with bank with more than 12 months maturity and held as margin money or security against the borrowings, guarantees and other commitments.

9. Deferred Taxes (net)

Particulars		As at 31 March 2024	As at 31 March 2023
The breakup of deferred taxes is as follows:			
Deferred tax asset arising on account of :			
- Provision for employee benefits, liquidated damages and foreseeable losses		27	16
- Allowances for expected credit loss		335	313
- Others		181	175
Total deferred tax asset	A	543	504
Less: Deferred tax liability arising on account of :			
- Carrying value of Property, plant and equipment/Intangible assets as per books and tax laws		39	42
- Others		55	102
Total deferred tax liability	B	94	144
Foreign exchange fluctuation	C	(1)	-
	(A-B-C)	450	360

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

9. Deferred Taxes (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Disclosed as		
Deferred tax assets	450	371
Deferred tax liabilities	-	11

Deferred tax recognized in statement of profit and loss and other comprehensive income for the year ended 31 March 2024:

Particulars	Recognised in Other comprehensive Income	Recognised in statement of profit and loss
Deferred tax asset arising on account of :		
- Provision for employee benefits, liquidated damages and foreseeable losses	-	(11)
- Allowances for expected credit loss	-	(22)
- Others	-	(7)
Deferred tax liability arising on account of :		
- Carrying value of Property, plant and equipment/Intangible assets as per books and tax laws	-	(3)
- Others	-	(43)
Foreign exchange fluctuation	-	(1)
Derecognition of deferred tax liabilities, net on account of disinvestment of subsidiary	-	16
Total	-	(69)

Deferred tax recognized in statement of profit and loss and other comprehensive income for the year ended 31 March 2023:

Particulars	Recognised in Other comprehensive Income	Recognised in statement of profit and loss
Deferred tax asset arising on account of :		
- Provision for employee benefits, liquidated damages and foreseeable losses	-	13
- Allowances for expected credit loss	-	(39)
- Others	-	415
Deferred tax liability arising on account of :		
- Carrying value of Property, plant and equipment/Intangible assets as per books and tax laws	-	(1)
- Others	-	(420)
Foreign exchange fluctuation	-	-
Derecognition of deferred tax liabilities, net on account of disinvestment of subsidiary	-	(55)
Total	-	(87)

In assessing the recoverability of deferred tax assets, the Group considers whether it is more likely than not that some portion or all of the deferred income tax assets will be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. The amount of the deferred income tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry forward period are reduced.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

10. Income Tax Assets (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Income tax assets net of provision for tax	349	834
	349	834

11. Other Assets (Unsecured, considered good)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Dues from customers for construction contract works*	-	8,451	-	7,907
Advances to supplier	-	1,223	-	1,761
Balances with government authorities	-	632	4	854
Duty drawback and other duty free credit entitlement receivable	-	-	-	10
Prepaid expenses	-	147	-	188
Other assets	-	88	22	60
	-	10,541	26	10,780

* Includes allowance for expected credit loss amounting to ₹944 Millions (31 March 2023: ₹1,001 Millions)

There are no advances due from directors or other officers of the Group.

12. Inventories

Particulars	As at 31 March 2024	As at 31 March 2023
Contract inventories	259	217
Stores and spares	100	136
	359	353

13. Cash and bank balances

Particulars	As at 31 March 2024	As at 31 March 2023
Cash and cash equivalents		
Cash on hand	16	9
Cheques on hand	270	312
Balances with banks		
- in current accounts **	2,251	1,279
- in deposit account (with original maturity upto 3 months)#	1,862	207
(A)	4,399	1,806
Bank balances other than those mentioned in cash and cash equivalents		
Unpaid dividend account	0	1
Deposits with maturity less than 3 months #	210	176
Deposits with maturity more than 3 months but less than 12 months #	448	703
Balances with bank held as margin money #	40	68
(B)	698	948
(A+B)	5,097	2,754

* Restricted bank balances: Balances with banks include ₹277 Millions (31 March 2023: ₹161 Millions) held in a foreign country which are not freely remissible because of exchange/ contractual restrictions.

Deposits and balances with bank includes a sum of ₹1,288 Millions (31 March 2023: ₹1,320 Millions) held as margin money / in escrow account or security against the borrowings, guarantees and other commitments.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

14. Equity Share Capital

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Authorised				
Equity shares of ₹2 each	7,50,00,000	150	7,50,00,000	150
Issued, subscribed and fully paid up				
Equity shares of ₹2 each	6,21,90,428	124	6,21,90,428	124
	6,21,90,428	124	6,21,90,428	124

a) Reconciliation of share capital (Equity)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	Amount	Number	Amount
Balance at the beginning of the year	6,21,90,428	124	6,21,90,428	124
Add : Changes in Equity Share Capital during the year	-	-	-	-
Balance at the end of the year	6,21,90,428	124	6,21,90,428	124

b) Shareholders holding more than 5% of the aggregate shares in the Parent

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	% holding	Number	% holding
Equity Shares of 2 each				
Mr. Rajiv Mittal	97,09,406	15.6%	97,09,406	15.6%
Ms. Rekha Rakesh Jhunjunwala	50,00,000	8.0%	50,00,000	8.0%
	1,47,09,406	23.6%	1,47,09,406	23.6%

c) Shares held by promoters of the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number	% holding	Number	% holding
Mr. Rajiv Mittal	97,09,406	15.6%	97,09,406	15.6%
Mr. S Varadarajan	21,85,762	3.5%	21,85,762	3.5%
	1,18,95,168	19.1%	1,18,95,168	19.1%

d) Terms/right attached to equity shares

The Parent has issued only one class of equity shares having a face value of ₹2 per share. Each holder of equity shares is entitled to one vote per share. The Parent declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting, except interim dividend, which can be approved by the Board of Directors. In the event of liquidation, the holders of equity shares will be entitled to receive remaining assets of the Parent, after distribution of all preferential amounts, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

e) Buy back of shares

There were no buy back of shares and no shares issued pursuant to contract without payment being received in cash during the last 5 years immediately preceding 31 March 2024.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

14. Equity Share Capital *Contd.*

f) Shares reserved for issue under options of the Parent

i) Terms and details of the ESOP scheme:

During the year, the Parent issued New ESOP Series "Wabag Centenary Stock Option Scheme", the terms and details of which are summarised below.

Particulars	Scheme details
a. Date of Shareholders' approval	30 January 2024
b. Total number of options approved under ESOP Scheme	25,00,000
c. Vesting Period & Exercise period	Vesting period: Minimum period of 1 Year and maximum period of 4 Years from Grant Date Exercise period: Maximum period of 3 Years from the respective Vesting Date
d. Pricing formula	Exercise Price shall be as determined by the Nomination and Remuneration Committee as on the date of Grant, which shall be up to 25% discount to Market Price. However, the exercise price shall not be lesser than the face value of shares.
e. Maximum term of options granted	4 Years
f. Source of shares (primary, secondary or combination)	Primary
g. Variation in terms of options	Not applicable
h. Method of settlement	Equity Shares
i. Total number of options granted under ESOP Scheme in 1 st tranche and exercise price of the same	15,00,000 (Grant Date : 21 March 2024); INR 513
j. Method used to account for ESOP Scheme - 2023 (Intrinsic or fair value)	The Parent uses the fair value-based method of accounting for stock options granted.
k. Method used & assumptions made to incorporate effects of expected early exercise	Black-Sholes Options Pricing Model
l. How expected volatility was determined, including explanation of the extent to which expected volatility was based on historical volatility	The expected price volatility is based on the historic volatility of the Parent's share price.
m. Whether and how any other features of the option grant were incorporated into the measurement of fair value, such as market condition.	Not applicable

ii) Options movement during the year

Particulars	No of stock options
Number of options outstanding at the beginning of the year	Nil
Number of options granted during the year	15,00,000
Number of options allotted during the year	Nil
Number of options lapsed during the year	Nil
Number of options outstanding at the end of the year	15,00,000
Money realized by exercise of options (₹), as scheme is implemented directly by the Parent	Nil

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

15. Capital Management

The Group's capital management objectives are:

- to safeguard the Group's ability to continue as a going concern, and continue to provide optimum returns to the shareholders and all other stakeholders by building a strong capital base
- to maintain an optimum capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

For the purpose of the Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders including non-controlling interests and borrowings, less cash and bank balances.

The Group manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The amounts managed as capital by the Group for the reporting periods under audit are summarized as follows:

Particulars		As at 31 March 2024	As at 31 March 2023
Borrowings		2,806	2,132
Less: Cash and bank balances		(5,161)	(3,139)
Net debt	(A)	(2,355)	(1,007)
Total equity	(B)	18,239	15,746
Total equity and net debt	(C=A+B)	15,884	14,739
Gearing ratio	(A/C)	(14.8%)	(6.8%)

16. Borrowings

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Secured				
Term loans from banks	-	-	550	-
Debentures	790	-	-	-
Term loans from others	1,096	1	-	-
Current maturities of long term borrowings	-	256	-	150
Working capital demand loan	-	-	-	799
Overdraft account/Packing credit/Cash credit	-	663	-	633
	1,886	920	550	1,582

The carrying amount of borrowings is considered to be a reasonable approximation of fair value.

Terms, guarantee and repayment details of borrowings

- The Parent has availed working capital term loan from various banks at an interest rate of 8.00% to 9.65% (31 March 2023: 7.85% to 9.50%) per annum, which is secured by second pari-pasu charge on the entire current assets of the Company and has been repaid in current year.
- The Parent has availed working capital demand loan at an interest rate of 8.25% to 9.55% (31 March 2023: 6.25% to 9.70%) per annum, and is repayable within 180 days from the date of availment and are secured against receivables of the Parent.
- VA Tech Wabag (Philippines) Inc. has availed secured term loans at an interest of 6.00% to 6.50% per annum with scheduled repayments.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

16. Borrowings *Contd.*

- (iv) The Parent has availed packing credit facilities in US dollars at an interest rate of 6.66% to 8.00% (31 March 2023: 2.19% to 7.08%) per annum and in the previous year availed packing credit facilities in Indian rupees at an interest rate of (31 March 2023: 7.75% to 9.08%) per annum. These packing credits are repayable within 180 days, as applicable, from the date of availment and are secured against foreign currency receivables of the Parent.
- (v) The Parent has availed secured cash credit facilities from banks at an interest rate of 8.25% to 9.65% (31 March 2023: 7.90% to 9.70%) per annum and are secured against receivables of the Parent.
- (vi) The Parent has issued debentures to an international organisation established under a Charter, which is secured by first pari-pasu charge on the entire current assets of the Parent except current assets of (i) MRPL Project and (ii) BUIDCO Bhagalpur Project at an interest of 8.54% per annum and repayable by 18 quarterly instalments from the end of moratorium period.
- (viii) Ghaziabad Water Solutions Private Limited had availed secured term loans at an interest rate of 10.55% per annum with scheduled repayments, payable by end of 31 March 2038.

17. Trade Payables

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Dues to micro and small enterprises (Also refer note (a) below)	-	49	-	88
Dues to others	1,283	10,234	1,332	10,609
	1,283	10,283	1,332	10,697

Ageing for trade payables - billed – Non current outstanding as at 31 March 2024 is as follows:

Particulars	Outstanding for following periods from due date of payments					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	0	-	-	-	-	0
Others	1,283	-	-	-	-	1,283
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
Total	1,283	-	-	-	-	1,283

Ageing for trade payables - billed – Non current outstanding as at 31 March 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	-	-	-	-	-	-
Others	1,332	-	-	-	-	1,332
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
Total	1,332	-	-	-	-	1,332

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

17. Trade Payables *Contd.*

Ageing for trade payables - billed – Current outstanding as at 31 March 2024 is as follows:

Particulars	Outstanding for following periods from due date of payments					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	24	17	3	3	2	49
Others	2,913	5,311	1,050	147	811	10,232
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	0	1	-	-	1	2
Total	2,937	5,329	1,053	150	814	10,283

Ageing for trade payables - billed – Current outstanding as at 31 March 2023 is as follows:

Particulars	Outstanding for following periods from due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
MSME	33	44	8	3	0	88
Others	3,821	5,427	332	514	471	10,565
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	13	10	-	2	18	43
Total	3,867	5,481	340	519	489	10,696

(a) For details of disclosures pursuant to Section 22 of Micro, Small and Medium Enterprises Development Act (MSMED), 2006 refer note 16(a) of standalone financial statements.

(b) Unclaimed credit balances amounting to ₹16 Millions (31 March 2023: ₹42 Millions) have been reversed from trade payables.

18. Other Financial Liabilities

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Employee related payables	13	278	11	329
Unpaid dividends	-	0	-	1
Other liabilities	-	10	-	20
	13	288	11	350

19. Provisions

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Provision for warranty	-	999	-	398
Provision for liquidated damages	-	-	-	-
Provision for litigations	-	-	-	-
Provision for foreseeable losses on contracts	-	13	-	1
Provision for employee benefits				
- Gratuity, anniversary, severance payments and others	84	83	87	75
- Compensated absences	44	57	43	56
	128	1,152	130	531

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

a) Provision for warranty

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Balance at the beginning of the year	398	526
Created/(Reversed) during the year, net	644	101
Utilized during the year	(44)	(242)
Foreign exchange fluctuation	1	13
Balance at the end of the year	999	398

A provision is recognized for expected warranty claims on construction contracts completed, based on past experience of level of repairs and returns. It is expected that these costs would be predominantly incurred within one year from the balance sheet date, which generally coincides with the completion of warranty period of the contract. The assumption used to calculate the provision for warranties are based on the Group's current status of contracts under execution and information available about expenditure estimated to be incurred based on the Group's warranty period for contracts completed.

b) Provision for liquidated damages

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Balance at the beginning of the year	-	-
Created during the year, net	359	6
Utilized during the year	(359)	(6)
Balance at the end of the year	-	-

The Group provides for liquidated damages when it reasonably expects that a delay in the completion of the project or a shortfall in the performance parameters might give rise to a claim from the customer. In the event of failure to complete a project as scheduled, or in case of a performance shortfall, the Group may generally be held liable for penalties in the form of agreed liquidated damages. Liquidated damages are generally measured and recognized in accordance with the terms of the contracts with customers.

c) Provision for litigations

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Balance at the beginning of the year	-	-
Created during the year, net	-	-
Utilized during the year	-	-
Balance at the end of the year	-	-

The Group provides for litigation, which is predominantly on account of disputes on statutory dues. The Group assesses each demand raised by the statutory authorities and based on responses and discussions with the attorneys and when there is a present obligation as a result of a past event, where the outflow of economic resources is probable and a reliable estimate of the amount of obligation, a provision for litigation is created. Instances when there is no present obligation or where the present obligation would probably not require outflow of resources or where the same cannot be reliably estimated, the same is disclosed as contingent liability in the financial statements. The Group derecognises its provisions on receipt of a favourable order from the appropriate authority and when no further obligation is envisaged.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

19. Provisions *Contd.*

d) Provision for foreseeable losses on contracts

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Balance at the beginning of the year	1	2
Created /(Reversed) during the year, net	12	(1)
Utilized during the year	-	-
Balance at the end of the year	13	1

The Group provides for foreseeable losses on contracts when it is probable that total contract cost, including expected cost to complete, will exceed the economic benefits expected to be received under it.

e) Provision for employee benefitss

The following tables summarize the components of all defined benefit plans for the year ended 31 March 2024 :

For the year ended 31 March 2024

Particulars	Gratuity	Anniversary	Severance payments
Change in defined benefit obligation			
Defined benefit obligation at the beginning of the year	88	7	69
Current Service cost	9	0	0
Past Service cost	-	-	-
Interest cost	5	0	2
Actuarial (gain)/losses	17	(1)	(1)
Benefits paid	(16)	-	(9)
Foreign exchange fluctuation	-	0	0
Defined benefit obligation at the end of the year	103	6	61
Thereof			
Unfunded	23	6	60
Funded	80	-	-
Change in plan assets			
Fair value of plan assets at the beginning of the year	78	-	-
Expected return on plan assets	6	-	-
Actuarial gain	3	-	-
Employer contributions	9	-	-
Benefits paid	(16)	-	-
Fair value of plan assets at the end of the year	80	-	-
Reconciliation of present value of obligation on the fair value of plan assets			
Present value of defined benefit obligation at the end of the year	103	6	61
Fair value of plan assets at the end of the year	(80)	-	-
Liability recognised in the balance sheet	23	6	61
Components of expenses :			
Current service cost	9	0	0
Past service cost	-	-	-
Interest cost	5	0	2
Expected returns on plan assets	(6)	-	-
Recognized net actuarial (gain)/loss	15	(1)	(1)
Foreign exchange fluctuation	-	0	-
Net expense recognized in the statement of profit and loss	23	(1)	1

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

19 Provisions *Contd.*

Plan assets do not comprise any of the Group's own financial instruments or any assets used by the entities of the Group. Plan assets can be broken down into the following categories of investments:

Total plan assets	Gratuity	Anniversary	Severance payments
Group balance fund	79	-	-
Group debt fund	1	-	-
Group short term debt fund	-	-	-
Total	80	-	-
Principal actuarial assumptions used:			
Discount rate	7.18%	3.16%	3.26%
Long-term rate of compensation increase	5.00%	4.00%	4.00%
Attrition rate	24.00%	-	-
Expected rate of return on plan assets	7.18%	-	-
Average remaining life (in years)	22	7	3

The Group assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Severance payments are one time settlements payable on termination of employment by the employer or on retirement to employees. These are calculated on the basis of years of service and the amount or remuneration in accordance with actuarial principles.

Claims for anniversary bonus deriving from collective wage and Group agreements were calculated using same parameters as for the provision for severance payments in accordance with actuarial principles.

Based on historical data, the Group expects contributions of ₹23 Millions to be paid for financial year 2023-24. The weighted average duration of the defined benefit obligation as at 31 March 2024 is 3.98 years.

Employee benefits - Maturity profile

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2024					
Gratuity	31	25	41	24	121
Anniversary	-	6	-	-	6
Severance payments	-	60	-	-	60

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarizes the effects of changes in these actuarial assumptions on the defined benefit liability as at 31 March 2024.

Gratuity	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2024						
> Sensitivity Level	0.5%	(0.5%)	0.5%	(0.5%)	0.5%	(0.5%)
> Impact on defined benefit obligation	(0.03)	0.03	1.35	(1.39)	(1.31)	1.29

Anniversary	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
31 March 2024				
> Sensitivity Level	1.0%	(1.0%)	1.0%	(1.0%)
> Impact on defined benefit obligation	(0.42)	0.48	0.46	(0.41)

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

19. Provisions *Contd.*

Severance payments	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
31 March 2024				
> Sensitivity Level	1.0%	(1.0%)	1.0%	(1.0%)
> Impact on defined benefit obligation	(1.47)	1.57	1.49	(1.42)

The following tables summarise the components of all defined benefit plans for the year ended 31 March 2023:

For the year ended 31 March 2023

Particulars	Gratuity	Anniversary	Severance payments
Change in defined benefit obligation			
Defined benefit obligation at the beginning of the year	88	6	68
Current Service cost	9	0	0
Past Service cost	-	-	-
Interest cost	4	0	1
Actuarial (gain)/losses	(1)	1	1
Benefits paid	(12)	-	(6)
Foreign exchange fluctuation	-	0	5
Defined benefit obligation at the end of the year	88	7	69
Thereof			
Unfunded	10	7	69
Funded	78	-	-
Change in plan assets			
Fair value of plan assets at the beginning of the year	82	-	-
Expected return on plan assets	5	-	-
Actuarial gain	(3)	-	-
Employer contributions	6	-	-
Benefits paid	(12)	-	-
Fair value of plan assets at the end of the year	78	-	-
Reconciliation of present value of obligation on the fair value of plan assets			
Present value of defined benefit obligation at the end of the year	88	7	69
Fair value of plan assets at the end of the year	(78)	-	-
Liability recognised in the balance sheet	10	7	69
Components of expenses :			
Current service cost	9	0	0
Past service cost	-	-	-
Interest cost	4	0	1
Expected returns on plan assets	(5)	-	-
Recognized net actuarial (gain)/loss	2	1	1
Foreign exchange fluctuation	-	0	5
Net expense recognized in the statement of profit and loss	10	1	7

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

19. Provisions *Contd.*

Plan assets do not comprise any of the Group's own financial instruments or any assets used by the entities of the Group. Plan assets can be broken down into the following categories of investments:

Total plan assets	Gratuity	Anniversary	Severance payments
Group balance fund	65	-	-
Group debt fund	13	-	-
Group short term debt fund	0	-	-
Total	78	-	-
Principal actuarial assumptions used:			
Discount rate	7.31%	3.48%	3.52%
Long-term rate of compensation increase	5.00%	5.00%	5.00%
Attrition rate	24.00%	-	-
Expected rate of return on plan assets	7.31%	-	-
Average remaining life (in years)	21	7	4

The Group assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Based on historical data, the Group expects contributions of ₹10 Millions to be paid for financial year 2022-23. The weighted average duration of the defined benefit obligation as at 31 March 2023 is 3.96 years.

Employee benefits - Maturity profile

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2023					
Gratuity	27	18	38	21	104
Anniversary	-	7	-	-	7
Severance payments	-	69	-	-	69

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarizes the effects of changes in these actuarial assumptions on the defined benefit liability as at 31 March 2023.

Gratuity	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2023						
> Sensitivity Level	0.5%	(0.5%)	0.5%	(0.5%)	0.5%	(0.5%)
> Impact on defined benefit obligation	0.0	(0.0)	(1.2)	1.2	1.2	(1.2)

Anniversary	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
31 March 2023				
> Sensitivity Level	1.0%	(1.0%)	1.0%	(1.0%)
> Impact on defined benefit obligation	(0.3)	0.3	0.3	(0.3)

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

19 Provisions *Contd.*

Severance payments	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
31 March 2023				
> Sensitivity Level	1.0%	(1.0%)	1.0%	(1.0%)
> Impact on defined benefit obligation	(4.9)	5.6	5.2	(4.7)

Compensated absences

The Group permits encashment of compensated absences accumulated by their employees on retirement, separation and during the course of service. The liability in respect of the Group, for outstanding balance of privilege leave at the balance sheet date is determined and provided on the basis of actuarial valuation performed by an independent actuary. The Group does not maintain any plan assets to fund its obligation towards compensated absences. The total compensated absences recognised in the statement of profit and loss for the year is ₹37 Millions (Year ended 31 March 2023: ₹26 Millions).

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Principal actuarial assumptions used :		
Discount rate	7.18%	7.31%
Long-term rate of compensation increase	5.0%	5.0%
Attrition rate	24.0%	24.0%
Average remaining life (in years)	21	21

The estimates of future salary increases, considered in actuarial valuation taking into account of inflation, seniority, promotion, attrition and relevant factors, such as supply and demand in the employment market.

The defined benefit obligation and plan assets are composed by geographical locations as follows:

Total plan assets	India	Rest of the world	Total
31 March 2024			
Defined benefit obligation	181	67	247
Fair value of plan assets	80	-	80
	101	67	167
31 March 2023			
Defined benefit obligation	163	76	239
Fair value of plan assets	78	-	78
	85	76	162

20. Other Liabilities

Particulars	As at 31 March 2024		As at 31 March 2023	
	Non-current	Current	Non-current	Current
Advance from customers	2,598	1,528	70	1,555
Unbilled payables	-	6,075	-	6,234
Statutory dues	-	400	-	438
Billing in advance of work completed	-	426	-	527
Others	-	219	-	400
	2,598	8,648	70	9,154

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

21. Current tax Liabilities (net)

Particulars	As at 31 March 2024	As at 31 March 2023
Current tax liabilities net of advance taxes	223	81
	223	81

22. Financial Instruments

The carrying value and fair value of financial instruments by categories are as follows:

Categories of financial assets and financial liabilities

Particulars	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Total
As at 31 March 2024			
Financial assets			
Investments	43	-	43
Trade receivables	-	25,215	25,215
Cash and bank balances	-	5,097	5,097
Other financial assets	-	2,338	2,338
	43	32,650	32,692

Particulars	Financial liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total
As at 31 March 2024			
Financial liabilities			
Trade payables	-	11,566	11,566
Borrowings	-	2,806	2,806
Lease liabilities	-	83	83
Other financial liabilities	-	302	302
	-	14,757	14,757

Particulars	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Total
As at 31 March 2023			
Financial assets			
Investments	43	-	43
Trade receivables	-	21,939	21,939
Cash and bank balances	-	2,753	2,753
Other financial assets	-	1,794	1,794
	43	26,486	26,529

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

22. Financial Instruments *Contd.*

Particulars	Financial liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total
As at 31 March 2023			
Financial liabilities			
Trade payables	-	12,029	12,029
Borrowings	-	2,132	2,132
Lease liabilities	-	58	58
Other financial liabilities	-	361	361
	-	14,580	14,580

The carrying value of financial asset and financial liabilities approximates the fair value of financial asset and financial liabilities as at 31 March 2024 and 31 March 2023. Also refer note 39- fair value measurement.

23. Revenue from operations

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Sale of services	28,269	29,463
Other operating revenues, net (Also refer note 17(b))*	295	142
	28,564	29,605

*Other operating revenue includes income from scrip sales and duty drawback of ₹Nil (31 March 2023 : ₹25 Millions)

A Disaggregation of sale of services

Sale of services are disaggregated based on projects, based on customer, based on timing of revenue recognition and based on geography.

a) Based on Projects

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Construction contracts	23,603	25,551
Operation and maintenance contracts	4,666	3,912
	28,269	29,463

b) Based on Customers

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Industrial	10,304	9,303
Municipal	17,965	20,160
	28,269	29,463

c) Based on Timing of revenue recognition

Revenues from construction contracts and operation & maintenance contracts are recognised on 'Over a point in time' basis and 'At a point in time' basis respectively.

d) Based on Geography

Sale of services can be disaggregated based on geography into 'India' and 'Rest of the World'. Refer Note 41- Segment Reporting for further details.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

23. Revenue from operations *Contd.*

B Transaction price allocated to the remaining performance obligations (Order backlog)

Revenues expected to be recognised in the future relating to performance obligations that are unsatisfied or partially unsatisfied as at 31 March 2024 amount to ₹102,811 Millions (31 March 2023: ₹120,554 Millions).

Construction contracts are progressively executed over a period of upto 3.5 years and based on specific project schedules. Operation and maintenance contracts are expected to be executed over a period of 1 to 20 years, primarily invoiced on a monthly basis.

c) Reconciliation of sales of services with contract price

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Opening contract price of orders as at 01 April *	1,20,554	89,763
Total orders received during the year	23,434	68,441
Total revenue recognised during the year	(28,269)	(29,463)
Effects of foreign exchange movements & order variations	(12,908)	(8,187)
Closing contract price of orders as at 31 March *	1,02,811	1,20,554

*Excludes framework contracts amounting to ₹11,673 Millions (31 March 2023: ₹11,638 Millions).

Framework contracts represents contracts wherein advance monies/letters of credit are awaited, hence these are not included in the contract price of orders as at the reporting date.

24. Other Income

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Interest income from deposits with banks and others	147	104
Foreign exchange gain, net	11	369
Gain on sale/liquidation of investment in subsidiary/joint venture	152	50
Gain on sale of property, plant and equipment, net	2	2
Dividend income	122	11
	434	536

25. Cost of Sales and Services

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Engineering costs	833	392
Material costs	10,577	12,603
Civil costs	4,080	4,808
Erection and commissioning costs	895	1,058
Taxes and duties	133	208
Site establishment costs	1,149	1,151
Project consultancy fee	72	84
Warranty expenses (Also refer note 19(a))	644	101
Foreseeable losses on contracts (Also refer note 19(d))	12	(1)
Project travel	191	195
Insurance costs	130	79
Power and fuel	87	59
Liquidated damages (Also refer note 19(b))	359	6
Other operation and maintenance expenses	682	538
Other project expenses	1,828	1,499
	21,672	22,779

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

26. Changes in Inventories

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Inventories at the beginning of the year		
Contract inventories	217	99
Stores and spares	136	163
	353	262
Less: Inventories at the end of the year		
Contract inventories	259	217
Stores and spares	100	136
	359	353
Net exchange differences	1	7
	(5)	(84)

27. Employee Benefits Expense

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Salaries and wages	2,072	2,364
Contribution to defined benefit plans (Also refer note 19(e))	62	70
Contribution to provident and other defined contribution funds	73	71
Staff welfare expenses	147	150
	2,354	2,655

28. Finance Costs

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Interest expenses for borrowings at amortised cost	253	285
Interest expenses on lease liabilities	2	2
Bank charges	456	371
	711	658

29. Depreciation and Amortization Expense

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Depreciation of property, plant and equipment (Also refer note 5)	78	84
Amortization of intangible assets (Also refer note 5)	6	4
	84	88

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

30. a) Other expenses

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Rent (Also refer note 34)	61	102
Insurance	23	19
Power and fuel	28	34
Rates and taxes	26	11
Repairs and maintenance	93	105
Professional charges (Also refer note 35)	232	235
Communication expenses	14	20
Travelling and conveyance	77	69
Bad and doubtful debts, net	101	341
Advertisement	8	14
Research and development expenses	36	35
Corporate social responsibility expenses (Also refer note 36)	14	12
Miscellaneous expenses	73	80
	786	1,077
b) Exceptional items	-	2,892

31. Income taxes

The major components of income tax expense for the year ended 31 March 2024 and 31 March 2023 are:

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Current tax:		
Income tax expense	866	146
Deferred tax:		
Relating to allowances for credit losses	(22)	(39)
Relating to origination and reversal of temporary differences	(47)	(48)
Tax expense reported in the statement of profit and loss	797	59
Deferred tax related to net (gain)/loss on remeasurements of defined benefit plans recognized in other comprehensive income	(4)	-
Tax expense reported in other comprehensive income	(4)	-

Tax reconciliation:

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of the Parent at 24.15% (Year ended 31 March 2023 : 34.91%) and the reported tax expense in the statement of profit and loss are as follows:

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Profit before taxes	3,301	169
Enacted tax rates in India	25.17%	25.17%
Tax on profit at enacted tax rate	831	42
Difference between Indian and foreign tax rates and net results of subsidiaries	28	112
Dividend Income taxed at lower rate	-	(5)
Tax effect on non deductible expenses	7	(3)
Deferred tax charges	(69)	(87)
Income tax expense	797	59
Current tax	866	146
Deferred tax	(69)	(87)
Income tax expense reported in the statement of profit and loss	797	59

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

32. Earnings per equity share (EPS)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
For profit for the year		
Nominal value of equity shares (in ₹)	2	2
Profit after exceptional items attributable to owners of the parent (A)	2,456	130
Weighted average number of equity shares outstanding during the year (B)	6,21,90,428	6,21,90,428
Basic & Diluted earnings per equity share (A/B) (in ₹)	39.49	2.07
For total comprehensive income		
Nominal value of equity shares (in ₹)	2	2
Total comprehensive income after exceptional items attributable to owners of the parent (a)	2,456	359
Weighted average number of equity shares outstanding during the year (b)	6,21,90,428	6,21,90,428
Basic & Diluted earnings per equity share (a/b) (in ₹)	39.49	5.76

33. Contract Balances

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Movement in contract assets		
Opening balance	7,907	7,469
Changes in the measure of progress, claims and other adjustments, net	4,667	4,395
Transfers to trade receivables, net	(4,123)	(3,957)
Closing balance	8,451	7,907
Movement in contract liabilities		
Opening balance	2,152	2,503
Billing-in-advance for work completed	374	401
Advances received during the year	3,488	351
Revenues recognised during the period	(476)	(75)
Advances offset against billing, net	(987)	(1,028)
Closing balance	4,551	2,152

34. Leases

Leases include several office buildings and vehicles.

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
(A) Expenses related to leases recognised in Statement of Profit and Loss :		
Interest expense on lease liabilities	2	2
Expenses relating to short term leases (Also refer note 30)	61	102
Depreciation expenses of right to use assets	28	26
(B) Payments related to leases recognised in Statement of Cash Flows :		
Recognition of lease liabilities	25	(18)
Interest paid on lease liabilities (Also refer note 28)	2	2

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

(C) Total right to use assets recognised for the year ended 31 March 2024 :

Particulars	Property, plant and equipment		
	Buildings	Vehicles	Total
Gross carrying value			
Balance as at 31 March 2023	48	121	169
Additions	52	9	60
Disposals	3	11	14
Effects of foreign currency translation	(1)	(0)	(1)
Balance as at 31 March 2024	96	119	214
Accumulated depreciation/amortization			
Balance as at 31 March 2023	28	71	99
Depreciation/amortization expense for the year	8	20	28
Reversal on disposal of assets	3	10	13
Effects of foreign currency translation	(1)	(0)	(1)
Balance as at 31 March 2024	32	81	113
Net carrying value			
Balance as at 31 March 2023	20	51	70
Balance as at 31 March 2024	63	38	101

(D) Maturity analysis of lease liabilities as at 31 March 2024 :

Particulars	As at 31 March 2024	As at 31 March 2023
Current lease liabilities liquidity analysis		
Within 6 months	22	22
Within 6-12 months	13	4
Non-Current lease liabilities liquidity analysis		
Within 1 to 5 years	48	31
Later than 5 years	-	1

35. Remuneration to auditors of the Parent (included as part of professional charges) *

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
As auditor		
Audit fees	6	5
Taxation matters	0	0
Other services	1	1
Reimbursement of expenses	2	1
	9	7

* excluding taxes and amounts paid to component auditors

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

36. Expenditure on Corporate Social Responsibility (CSR)

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
a) Amount required to be spent by the company during the year	14	11
b) Amount of expenditure incurred	14	11
c) Shortfall at the end of the year	-	-
d) Total of previous years shortfall	-	-
e) Nature of CSR activities [#]	-	-
f) Details of related party transactions	-	-

[#]Skill Development activities

37. Service Concession Arrangements

The significant terms of the agreements entered into by the subsidiaries of the Parent towards design, construction, operation and maintenance of Water Treatment Plants on Design Build Finance Operate Transfer ('DBFOT') basis are as below :

Subsidiary	Ghaziabad Water Solutions Private Limited (Formerly known as Digha STP Projects Private Limited)
Project Description	Design, finance, construct/renovate, complete, operate and maintain the new 40 MLD Recycle and Re-use Tertiary Treatment Reverse Osmosis ('TTRO') plant and infrastructure in Ghaziabad
Concession Authority	Ghaziabad Nagar Nigam ('GNN')
Key Terms	<ul style="list-style-type: none"> - Construction period of 2 years including 3 months of trial run and O&M period of 15 years - One portion of the bid EPC cost shall be paid to the concessionaire over the construction period in specific milestones - Balance portion of the bid EPC cost shall be paid over 15 years starting after the Commercial Operation Date ('COD') - The concessionaire will also receive the O&M charges along with escalation as per contract during the 15 year O&M tenure on a monthly basis and is required to adhere and maintain contractual performance parameters
Effective / Appointed Date	02 March 2022
Project bid cost	₹5,940 Millions (including taxes)
Classification	Dues from the concession authority have been recognised as Financial Assets, backed by an unconditional right to receive cash from the grantor
Revenue recognised during the financial year 2023-24	₹1,413 Millions (excluding taxes)

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

38. Related party disclosures

a) Names of related parties and nature of relationship

Nature of relationship	Name of related party
Associate	Windhoek Goreangab Operating Company (Pty) Limited, Namibia
	VA Tech Wabag and Roots Contracting LLC, Qatar
	DK Sewage Project Private Limited, India (w.e.f 29 March 2024)
	Ganga STP Project Private Limited, India (w.e.f 22 September 2021)
Key Managerial Personnel (KMP)	Mr. Rajiv Mittal - Chairman & Managing Director
	Mr. S Varadarajan - Whole time Director & Chief Growth Officer
	Mr. Milin Mehta - Independent Director
	Ms. Vijaya Sampath - Independent Director
	Mr. Ranjit Singh - Additional Director
	Mr. Amit Goela - Non Executive Non-Independent Director
	Mr. Skandaprasad Seetharaman - Chief Financial Officer
	Mr. Shailesh Kumar - CEO India Cluster (Appointed as KMP w.e.f 27 May 2022)
	Mr. Arulmozhi - CFO, India Cluster
	Mr. Pankaj Malhan - Deputy Managing Director and Group Chief Executive Officer (Resigned w.e.f 30 October 2023)
	Mr. Pankaj Sachdeva - CEO, India Cluster (Resigned as KMP w.e.f 30 September 2022)
Other Related Party	Mr. Rohan Mittal- Engineer, Relative of Chairman & Managing Director

b) Transactions with related parties

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
	Associates	Associates
Sales goods and services	165	1,863
Other operating income	102	14

c) Balances with related parties

Particulars	As at 31 March 2024		As at 31 March 2023	
	Associates	KMP and other related party	Associates	KMP and other related party
Advances/amount recoverable	532	-	404	-
Creditors/Payables	9	8	9	10

All transactions with these related parties are priced on an arm's length basis. None of the balances are secured.

d) Remuneration to Key Management Personnel and Other Related Party :

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Salaries including bonus	110	107
Post employment and termination benefits	8	8
Commission	7	6

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

39. Fair value measurement

Fair value measurement hierarchy

The Group records certain financial assets and financial liabilities at fair value on a recurring basis. The Group determines fair values based on the price it would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability.

The Group holds certain fixed income investments, and other financial assets such as employee advances, deposit etc., which must be measured using the fair value hierarchy and related valuation methodologies. The guidance specifies a hierarchy of valuation techniques based on whether the inputs to each measurement are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Group's assumptions about current market conditions. The fair value hierarchy also requires the Group to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

Financial assets and financial liabilities measured at fair value in the balance sheet are grouped into three Levels of fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

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

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

>**Level 3:** Inputs for assets or liabilities that are not based on observable market data (unobservable inputs)

The following table shows the Levels within the hierarchy of financial and non-financial assets and liabilities measured at fair value on a recurring basis as at 31 March 2024 and 31 March 2023 :

Quantitative disclosures for fair value measurement hierarchy for assets as at 31 March:

Particulars	Fair value measurement using				
	Date of valuation	Carrying value	Level 1	Level 2	Level 3
i) Assets measured at fair value:					
Fair value through statement of profit and loss					
Investments					
2024	31 March 2024	43	-	-	43
2023	31 March 2023	43	-	-	43

ii) Liabilities measured at amortized cost:

Interest-bearing loans and borrowings:

The Group ensures a balanced portfolio of fixed and floating rate loans and borrowings. The Group's borrowings as at 31 March 2024 of ₹729 Millions (31 March 2023 ₹1,535 Millions) and of ₹2,077 Millions (31 March 2023 ₹598 Millions) are on fixed rate and floating rate basis of interest respectively .

The fair values of the Group's interest-bearing borrowings and loans are determined under amortised cost method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. These rates are considered to reflect the market rate of interest and hence the carrying values are considered to be at fair value.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

40. Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies

The Group's principal financial liabilities, comprise borrowings and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include investments, trade and other receivables and cash and short-term deposits that are created directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks. The Group's management is supported by the Group Treasury Team that advises on financial risks and the appropriate financial risk governance framework in accordance with the Group's policies and risk objectives. All derivative activities for risk management purposes are carried out by Group Treasury Team that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors of the Parent review and agree on policies for managing each of these risks, which are summarised below.

a) Market risk

The Group is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with floating interest rates.

Interest rate sensitivity

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% for the year ended 31 March 2024 (31 March 2023 : +/- 1%). These changes are considered to be reasonably possible based on observation of current market conditions. Sensitivity calculations are based on annualised interest cost on the borrowings at floating rate as of the reporting dates 31 March 2024 and 31 March 2023. All other variables are held constant.

Particulars		As at 31 March 2024	As at 31 March 2023
Profit before tax			
Increase	+1%	21	6
Decrease	-1%	(21)	(6)
Equity before tax			
Increase	+1%	21	6
Decrease	-1%	(21)	(6)

Foreign currency risk

The Group enters into transactions of sales and purchases in various currencies based on the domiciliation of the entities of the group. Euro (EUR) and United States Dollar (USD) are the major currencies transacted in, outside the functional currency (₹) of the Parent.

To mitigate the Group's exposure to foreign currency risk, cash flows in foreign currencies are monitored and forward exchange contracts are entered into in accordance with the Group's risk management policies. Where the amounts to be paid and received in a specific currency are expected to largely offset one another, no further hedging activity is undertaken.

Foreign currency denominated financial assets and financial liabilities which expose the Group to currency risk are disclosed below. The amounts shown are those reported to the key management and are translated at the closing rate:-

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

40. Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies *Contd.*

Particulars	Foreign currency exposure (in ₹ in Millions)	
	USD	EUR
31 March 2024		
Financial assets	12,444	757
Financial liabilities	1,831	395
31 March 2023		
Financial assets	6,753	270
Financial liabilities	1,823	759

Currency risk (or foreign exchange risk) arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency, of the respective entity, in which they are measured. For the purpose of this disclosure, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency of the respective entities.

The following table illustrates the sensitivity of profit and equity with regard to the Group's financial assets and financial liabilities and the USD/₹ exchange rate and EUR/₹ exchange rate 'all other things being equal'. It assumes a +/- 1% change of the USD/₹ and EUR/₹ exchange rate for the year ended 31 March 2024 (31 March 2023 : +/- 1%).

If the ₹ had strengthened against the USD by 1% during the year ended 31 March 2024 (31 March 2023: 1%) and EUR by 1% during the year ended 31 March 2024 (31 March 2023: 1%) respectively, then it would have had the following impact on profit before tax and equity before tax :

Particulars		As at 31 March 2024	As at 31 March 2023
Profit before tax			
USD	+1%	106	49
EUR	+1%	4	(5)
		110	44
Equity before tax			
USD	+1%	106	49
EUR	+1%	4	(5)
		110	44

If the ₹ had weakened against the USD by 1% during the year ended 31 March 2024 (31 March 2023: 1%) and EUR by 1% during the year ended 31 March 2024 (31 March 2023: 1%) respectively, there would be an equal but opposite effect on the above currencies to the amount shown above, on the basis that all other variables remain constant.

b) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example on trade receivables, deposits with bank, etc. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at 31 March as summarised below:

Particulars	As at 31 March 2024	As at 31 March 2023
Classes of financial assets		
Trade receivables	25,215	21,939
Cash and cash equivalents	4,399	1,806
Bank balances other than those mentioned in cash and cash equivalents	698	948
Other financial assets	2,338	1,793

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

40. Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies *Contd.*

The Group continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. The Group's policy is to transact only with counterparties who are highly creditworthy which are assessed based on internal due diligence parameters.

In respect of trade receivables, the Group is not exposed to any significant credit risk exposure to any single counterparty or any group of counterparties. Customer credit risk is managed based on Group's established policy, procedures and control relating to customer credit risk management, pursuant to which outstanding customer receivables are regularly monitored by the management. Credit quality of the customer is assessed based on historical information in relation to pattern of collections, defaults and credit worthiness of the customer. As at 31 March 2024 the Group had 16 (31 March 2023: 15) customers that owed the Group more than ₹500 millions each and accounted for approximately 79% (31 March 2023: 67%) of all the receivables outstanding. As at 31 March 2024, the Group has certain trade receivables that have not been settled by the contractual due date but are not considered to be impaired. (Also refer note 7)

The credit risk for Cash and cash equivalents, balance with bank are considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Other financial assets mainly comprises of tender deposits and security deposits which are given to customers or other governmental agencies in relation to contracts executed and are assessed by the Group for credit risk on a continuous basis. The credit risk on these balances are estimated to be low as on 31 March 2024.

c) Liquidity risk

Liquidity risk is risk of the Group not being able to meet its obligations. The Group manages its liquidity needs by monitoring scheduled debt servicing payments for long-term financial liabilities as well as forecast cash inflows and outflows due in day-to-day business. The data used for analysing these cash flows is consistent with that used in the contractual maturity analysis below. Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on a monthly, quarterly and yearly basis depending on the business needs. Net cash requirements are compared to available borrowing facilities in order to determine headroom or any shortfalls. This analysis shows that available borrowing facilities are expected to be sufficient over the lookout period.

The Group's objective is to maintain cash and marketable securities to meet its liquidity requirements for 30-days period at a minimum. This objective was met for the reporting periods. Funding for long term liquidity needs is additionally secured by an adequate amount of committed credit facilities.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables significantly exceed the current cash outflow requirements. Cash flows from trade receivables are due within six months except for retention and long term trade receivables which are governed by the relevant contract conditions.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and borrowings. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The table below analyses non-derivative financial liabilities of the Group into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows including interest as at 31 March 2024 and 31 March 2023.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

40. Nature and extent of risks arising from financial instruments and respective financial risk management objectives and policies *Contd.*

As at 31 March 2024	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Borrowings	774	218	1,091	980
Trade payables	8,900	1,383	1,283	-
Lease liabilities	22	13	48	-
Other financial liabilities	180	108	13	-
	9,876	1,722	2,435	980

As at 31 March 2023	Current		Non-Current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Borrowings	1,556	99	604	-
Trade payables	9,678	1,019	1,332	-
Lease liabilities	22	4	31	1
Other financial liabilities	343	7	11	-
	11,599	1,129	1,978	1

41. Segment reporting

Considering the risk/return profiles of the segments between product and geography, the Group has identified geography as reportable segment in accordance with Indian Accounting Standard (Ind AS) 108 "Operating Segments".

Particulars	India	Rest of world	Unallocated	Total
For the year ended 31 March 2024				
Revenue				
External sales	17,324	13,481	-	30,805
Other operating revenue	-	-	657	657
Inter-segment sales*	-	(2,898)	-	(2,898)
Total revenue	17,324	10,583	657	28,564
Results				
Segment result	3,437	3,265	-	6,702
Share of profit of associates, net	-	(95)	-	(95)
Unallocated corporate expenses	-	-	(3,223)	(3,223)
Operating profit	3,437	3,170	(3,223)	3,384
Interest and finance charges, net	-	-	(390)	(390)
Other income	-	-	307	307
Profit before tax	3,437	3,170	(3,306)	3,301
Exceptional items	-	-	-	-
Income taxes	-	-	(797)	(797)
Profit after tax	3,437	3,170	(4,103)	2,504
Non-controlling interests	-	-	(48)	(48)
Profit for the year attributable to owners of the Parent	3,437	3,170	(4,151)	2,456
Other information				
Segment assets	17,675	23,346	-	41,020

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

41. Segment reporting Contd *Contd.*

Particulars	India	Rest of world	Unallocated	Total
Unallocated corporate assets	-	-	4,725	4,725
Total assets	17,675	23,346	4,725	45,745
Segment liabilities	13,294	11,651	-	24,945
Unallocated corporate liabilities	-	-	2,560	2,560
Total liabilities	13,294	11,651	2,560	27,505
For the year ended 31 March 2024				
Capital expenditure	-	-	119	119
Depreciation and amortization	-	-	84	84
Other non cash expenditure, net	-	-	1,162	1,162

* Net of intra-segment eliminations of sales within India

Particulars	India	Rest of world	Unallocated	Total
For the year ended 31 March 2023				
Revenue				
External sales	16,642	14,808	-	31,450
Other operating revenue	-	-	432	432
Inter-segment sales	-	(2,277)	-	(2,277)
Total revenue	16,642	12,531	432	29,605
Results				
Segment result	3,310	3,475	-	6,785
Share of profit of associates and a joint venture, net	-	93	-	93
Unallocated corporate expenses	-	-	(3,819)	(3,819)
Operating profit	3,310	3,568	(3,819)	3,059
Interest and finance charges, net	-	-	(491)	(491)
Other income	-	-	493	493
Profit before tax	3,310	3,568	(3,817)	3,061
Exceptional items	-	-	(2,892)	(2,892)
Income taxes	-	-	(59)	(59)
Profit after tax	3,310	3,568	(6,768)	110
Non-controlling interests	-	-	20	20
Profit for the year attributable to owners of the Parent	3,310	3,568	(6,748)	130
Other information				
Segment assets	16,376	20,797	-	37,173
Unallocated corporate assets	-	-	3,719	3,719
Total assets	16,376	20,797	3,719	40,892
Segment liabilities	10,304	12,001	-	22,305
Unallocated corporate liabilities	-	-	2,841	2,841
Total liabilities	10,304	12,001	2,841	25,146
For the year ended 31 March 2023				
Capital expenditure	-	-	52	52
Depreciation and amortization	-	-	88	88
Other non cash expenditure, net	-	-	346	346

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

42. Statutory group information

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities as at		Share in profit or (loss) for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
Parent								
VA Tech Wabag Limited								
31 March 2024	82.0%	14,963	94.2%	2,358	111.8%	7	94.2%	2,365
31 March 2023	80.1%	12,615	11.5%	13	100.3%	219	70.7%	232
Indian subsidiaries								
DK Sewage Project Private Limited								
31 March 2024	-	-	1.5%	37	-	-	1.5%	37
31 March 2023	0.4%	59	21.2%	23	-	-	7.1%	23
Ghaziabad Water Solutions Private Limited								
31 March 2024	(0.2%)	(40)	(2.2%)	(55)	-	-	(2.2%)	(55)
31 March 2023	0.1%	15	(1.4%)	(2)	-	-	(0.5%)	(2)
Kopri Bio Engineering Private Limited								
31 March 2024	-	-	(0.0%)	(0)	-	-	(0.0%)	(0)
31 March 2023	(0.0%)	(3)	(1.1%)	(1)	-	-	(0.4%)	(1)
Foreign subsidiaries								
VA Tech Wabag (Philippines) Inc								
31 March 2024	1.1%	202	(0.9%)	(23)	(11.8%)	(1)	(0.9%)	(24)
31 March 2023	1.5%	230	(7.2%)	(8)	0.4%	1	(2.2%)	(7)
VA Tech Wabag Muscat LLC								
31 March 2024	0.1%	16	(0.3%)	(7)	-	-	(0.3%)	(7)
31 March 2023	0.2%	28	2.8%	3	-	-	1.0%	3
Wabag Muhibbah JV SDN. BHD.								
31 March 2024	0.5%	98	4.5%	112	-	-	4.5%	112
31 March 2023	(0.1%)	(11)	(50.7%)	(56)	-	-	(17.0%)	(56)
Wabag Belhasa JV WLL								
31 March 2024	0.1%	23	0.1%	2	-	-	0.1%	2
31 March 2023	0.1%	20	(165.1%)	(182)	-	-	(55.5%)	(182)
VA Tech Wabag and Roots Contracting LLC- Project-I								
31 March 2024	0.0%	6	-	-	-	-	0.0%	-
31 March 2023	0.1%	9	3.0%	3	-	-	1.0%	3
Wabag Limited								
31 March 2024	-	-	-	-	-	-	-	-
31 March 2023	(0.0%)	(3)	20.8%	23	-	-	7.0%	23
VA Tech Wabag (Singapore) Pte Limited								
31 March 2024	3.1%	573	0.2%	4	-	-	0.2%	4
31 March 2023	3.6%	569	27.2%	30	-	-	9.1%	30

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

42. Statutory group information

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities as at		Share in profit or (loss) for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
Va Tech Wabag Limited								
Pratibha Industries Limited JV								
31 March 2024	0.2%	45	0.3%	9	-	-	0.3%	9
31 March 2023	0.2%	36	0.1%	0	-	-	0.0%	0
VA Tech Wabag Gmbh								
31 March 2024	15.0%	2,736	5.7%	143	-	-	5.7%	143
31 March 2023	16.4%	2,576	155.5%	172	(0.7%)	(2)	51.9%	170
Wabag Wassertechnik Ag								
31 March 2024	-	-	-	-	-	-	-	-
31 March 2023	1.5%	240	29.1%	32	-	-	9.8%	32
VA Tech Wabag Brno Spol. S.R.O								
31 March 2024	-	-	-	-	-	-	-	-
31 March 2023	-	-	(33.6%)	(37)	-	-	(11.3%)	(37)
Wabag Water Services SRL								
31 March 2024	4.4%	802	0.7%	17	-	-	0.7%	17
31 March 2023	5.0%	783	(49.0%)	(54)	-	-	(16.6%)	(54)
VA Tech Wabag Su Teknolojisi Ve Tic. A.S								
31 March 2024	(1.2%)	(213)	0.0%	1	-	-	0.0%	1
31 March 2023	(1.3%)	(212)	5.8%	6	-	-	2.0%	6
VA Tech Wabag Tunisie S.A.R.L								
31 March 2024	0.8%	146	1.2%	29	-	-	1.2%	29
31 March 2023	0.7%	117	19.0%	21	-	-	6.4%	21
VA Tech Wabag Deutschland Gmbh								
31 March 2024	-	-	-	-	-	-	-	-
31 March 2023	-	-	-	-	-	-	-	-
Non-controlling interest in all subsidiaries								
31 March 2024	0.3%	53	1.9%	48	-	-	1.9%	48
31 March 2023	(0.0%)	(3)	(17.9%)	(20)	-	-	(6.0%)	(20)
Associates (investments as per equity method)								
Indian								
Ganga STP Project Private Limited								
31 March 2024	1.3%	241	(1.1%)	(26)	-	-	(1.1%)	(26)
31 March 2023	1.7%	268	74.1%	82	-	-	24.9%	82
DK Sewage Project Private Limited								
31 March 2024	1.8%	333	0.4%	11	-	-	0.4%	11
31 March 2023	-	-	-	-	-	-	-	-

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

42. Statutory group information

Name of the entity in the Group	Net assets, i.e. total assets minus total liabilities as at		Share in profit or (loss) for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of consolidated net assets	Amount	As % of consolidated profit or (loss)	Amount	As % of other comprehensive income	Amount	As % of total comprehensive income	Amount
Foreign								
VA Tech Wabag and Roots Contracting LLC- Project-II and Project-III								
31 March 2024	0.1%	18	(3.6%)	(91)	-	-	(3.6%)	(91)
31 March 2023	0.7%	109	(0.3%)	(0)	-	-	(0.1%)	(0)
Windhoek Goreangab Operating Company (Pty) Limited								
31 March 2024	0.2%	35	0.5%	12	-	-	0.5%	12
31 March 2023	0.2%	38	10.0%	11	-	-	3.4%	11
Intercompany eliminations and other adjustments								
31 March 2024	(9.9%)	(1,798)	(3.1%)	(77)	-	-	(3.1%)	(77)
31 March 2023	(11.0%)	(1,735)	46.2%	51	-	-	15.6%	51
Total								
31 March 2024	100.0%	18,239	100.0%	2,504	100.0%	6	100.0%	2,510
31 March 2023	100.0%	15,746	100.0%	110	100.0%	219	100.0%	328

43. Authorization of financial statements

The consolidated financial statements for the year ended 31 March 2024 (including comparatives) is approved by the Board of Directors on 21 May 2024.

44. Interest in other entities

Summarized financial information of the associates and joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

(a) Investments in associates

Particulars	As at 31 March 2024	As at 31 March 2023
Aggregate carrying amount of associates	628	415

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Aggregate amount of the associates share of :		
(Loss)/Profit for the year	(95)	93
Other comprehensive income	-	-
Total comprehensive income	(95)	93

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

(b) Investments in joint venture

Particulars	As at 31 March 2024	As at 31 March 2023
Aggregate carrying amount of associates	-	-

Particulars	Year Ended 31 March 2024	Year Ended 31 March 2023
Aggregate amounts of the group's share of:		
(Loss) for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Share of (losses)/profits from associates	(95)	93
Share of (losses) from joint venture	-	-

45. Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2024) and the date of authorization (21 May 2024), other than those disclosed under respective notes.

46. Contingent liabilities, commitments and guarantees

a) Claims against the Company not acknowledged as debt

Particulars	As at 31 March 2024	As at 31 March 2023
Income tax demand including interest contested in appeal for various assessment years	134	54
Indirect tax matters under dispute including interest contested in appeal for various years	1,242	648
Share of contingent liabilities in associates with respect of income tax and indirect tax matters	245	-

b) Capital commitments

The estimated amounts of contracts to be executed on capital account and not provided for (net of advances) Nil (31 March 2023: Nil)

c) Guarantees excluding financial guarantees: ₹ Nil (31 March 2023: ₹ Nil)

47. Analytical ratios

Particulars	As at 31 March 2024	As at 31 March 2023	Change	Numerator	Denominator
a) Current Ratio *	1.68	1.33	26.0%	Current assets	Current Liabilities
b) Debt-Equity Ratio	0.15	0.14	13.6%	Total Debt (Long & Short term)	Shareholder's Equity
c) Debt Service Coverage Ratio #	4.77	0.98	387.4%	Earnings available for debt service	Debt Service
Before exceptional items	4.77	5.35			
d) Return on Equity Ratio (ROE) #	14.7%	0.7%	1,988.4%	Net Profits after taxes	Average Shareholder's Equity
Before exceptional items	14.7%	14.7%			
e) Inventory turnover Ratio	6.62	7.30	(9.4%)	Sales	Average Inventory
f) Trade Receivables turnover Ratio	1.20	1.38	(13.2%)	Net Credit Sales	Average Accounts Receivable
g) Trade payables turnover Ratio	1.84	1.94	(5.5%)	Net Credit Purchases	Average Trade Payables

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

47. Analytical ratios

Particulars	As at 31 March 2024	As at 31 March 2023	Change	Numerator	Denominator
h) Net capital turnover Ratio [§]	1.92	3.82	(49.7%)	Net Sales	Working Capital
i) Net profit Ratio [#]	8.9%	0.4%	2,285.8%	Net Profit	Net Sales
Before exceptional items	8.9%	7.7%			
j) Return on Capital employed (ROCE) [#]	19.5%	2.9%	573.6%	Earning before interest and taxes	Capital Employed
Before exceptional items	19.5%	21.3%			

* Due to higher current assets and lower current liabilities

Due to exceptional items in the previous year.

§ Due to lower revenue and higher working capital in current year

All investments are non current in nature and invested in group companies as equity instruments. Hence return on investment ratio is not computed.

48. Disclosure pursuant to Ind AS 105 “Non-current assets held for sale and discontinued operations”

- a) Wabag Wassertechnik AG, Switzerland, a step down subsidiary of the Parent has been sold on 12 April 2023 by transfer of shares and carrying value of all the assets and liabilities of the step down subsidiary as at 31 March 2023 are classified as “Held for Sale” in accordance with Indian Accounting Standard (Ind AS) 105 ‘Non-current assets held for sale and discontinued operations’.
- b) Major classes of assets and liabilities classified as held for sale:

Particulars	As at 31 March 2024	As at 31 March 2023
Assets classified as held for sale		
Property, plant and equipment	-	8
Intangible assets	-	0
Investments	-	0
Other non-current financial assets	-	3
Income tax assets (net)	-	2
Inventories	-	9
Trade receivables	-	194
Cash and cash equivalents	-	260
Other current financial assets	-	17
Other current assets	-	337
Total	-	830
Liabilities associated with the assets classified as held for sale		
Deferred tax liabilities (net)	-	8
Trade payables	-	95
Other financial liabilities	-	15
Other current liabilities	-	416
Provisions	-	55
Total	-	589

- c) The above assets and liabilities classified as held for sale are reported under “Rest of the world” segment in accordance with Indian Accounting Standard (Ind AS) 108 “Operating Segments” (Also refer Note 41).

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

49. Additional disclosures under Schedule III Division II of the Companies Act

With respect to entities incorporated in India (referred to as "Indian Entities") and consolidated in the financial statements:

- No proceedings have been initiated on or are pending against the Indian Entities for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder, as at the end of the year.
- The Indian Entities has not been declared as a wilful defaulter by any bank or financial institution or government or any government authority.
- As per the information available with the Indian Entities, the Indian Entities has no transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 (31 March 2023: Nil)
- There has been no charges or satisfaction yet to be registered with ROC beyond the statutory period as at the end of the year
- Indian Entities has not traded or invested in Crypto currency or Virtual Currency during the financial year ended 31 March 2024 (31 March 2023: Nil).
- No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Indian Entities to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Indian Entities (Ultimate Beneficiaries). The Indian Entities has not received any fund from any party(s) (Funding Party) with the understanding that the Indian Entities shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Indian Entities ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (31 March 2022: Nil).
- The Parent is using IFS ERP (accounting software) for maintaining books of accounts. Audit trail was operational throughout the year, except for a period from 20 June 2023 to 30 September 2023, during which period the ERP was upgraded. Considering the early stage of the project and limited quantum of transactions books of accounts of two Indian Entities (Special Purpose Vehicles) was maintained in electronic form without audit trail being enabled.

50. Figures for the previous year have been regrouped / re-classified to conform to the figures of the Current year. Values less than ₹0.5 Million is disclosed as Zero.

Notes 1 to 50 form an integral part of the consolidated financial statements

In terms of our report of even date attached

For and on behalf of the Board of Directors of **VA Tech Wabag Limited**

For **Sharp & Tannan**

Chartered Accountants

Firm's Registration No.: 003792S

V Viswanathan

Partner

(Membership No.: 215565)

Rajiv Mittal

Chairman & Managing Director

(DIN :01299110)

Milin Mehta

Director

(DIN : 01297508)

Skandaprasad Seetharaman

Chief Financial Officer

Anup Kumar Samal

Company Secretary

(Membership No:F4832)

Place : Chennai

Date : 21 May 2024

Place : Chennai

Date : 21 May 2024

Corporate Information

Registered & Corporate Office

'WABAG HOUSE', No.17, 200 Feet
Thoraipakkam – Pallavaram Main Road,
Sunnambu Kolathur,
Chennai - 600 117, Tamil Nadu, India.
P: 044 - 6123 2323

Registrar and Transfer Agent

Cameo Corporate Services Limited

Subramanian Building, No. 1,
Club House Road, Anna Salai,
Chennai - 600002, Tamil Nadu, India.
P: 044 - 4002 0700
Email - investor@cameoindia.com
Website - www.cameoindia.com
Online Investor Portal - <https://wisdom.cameoindia.com>

Statutory Auditors

Sharp & Tannan

Chartered Accountants
3rd Floor, Parsn Manere, A-Wing,
602, Anna Salai, Chennai – 600006,
Tamil Nadu, India.
P: 044 - 2827 4368

Internal Auditors

Corporate Assurance Team

VA Tech Wabag Limited

PKF Sridhar & Santhanam LLP

Chartered Accountants
KRD Gee Crystal, No. 91-92,
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Mylapore, Chennai – 600004, Tamil
Nadu, India.
P: 044 - 2811 2985

Cost Auditor

K. Suryanarayanan

Practicing Cost Accountant
Membership Number: 24946
Flat A, Brindhavan Apartments,
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P: 044 - 2432 8836

Secretarial Auditor

M. Damodaran & Associates LLP

'MDA Tower',
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Bankers/Financial Institutions

State Bank of India
Export Import Bank of India
Bank of Baroda
ICICI Bank
IndusInd Bank
HSBC Bank
Canara Bank
IDBI Bank
Union Bank of India
Punjab National Bank
Karnataka Bank
UCO Bank
Asian Development Bank



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VA TECH WABAG LIMITED