



An ISO 9001 Company

July 20, 2026

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

BSE Limited,
Floor 25, P J Towers,
Dalal Street,
Mumbai - 400 001
BSE Scrip Code: **533269**

Dear Sir/Madam,

Sub.: Notice of the 31st Annual General Meeting (AGM) of the Company and Annual Report for the FY 2025-26

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

We refer to our earlier intimation dated May 21, 2026 informing that the 31st AGM of VA TECH WABAG LIMITED ("the Company") will be held on **Wednesday, August 12, 2026 at 4:30 P.M. (IST)** through Video Conferencing / Other Audio Visual Means ("VC/OAVM").

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

- 1. Notice convening the 31st AGM of the Company**
- 2. Annual Report for the FY 2025-26** (along with Business Responsibility and Sustainability Report and other Statutory Reports)

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/the Registrar and Transfer Agent (RTA)/Depository Participants (DPs) and the same is also available on the website of the Company at www.wabag.com. Kindly take the same on record.

Thanking You,

Yours faithfully,

For **VA TECH WABAG LIMITED**

ANUP
KUMAR
SAMAL

Anup Kumar Samal

Company Secretary & Compliance Officer
Membership No: FCS 4832

Encl.: As above

Sustainable solutions, for a better life



VA TECH WABAG LIMITED

CIN: L45205TN1995PLC030231

"WABAG HOUSE",

**No.17, 200 Feet Thoraipakkam-Pallavaram Main Road,
Sunnambu Kolathur, Chennai 600 117, India.**

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Executing **Relentlessly.** Scaling **Responsibly.**
Growing **Profitably.**



**For over a century, WABAG
has helped communities and
industries solve one of humanity's
most fundamental challenges—**

Water

Across changing geographies, technologies and market cycles, one principle has remained constant: delivering solutions that endure. Today, as the world enters an unprecedented phase of investment in water infrastructure, our century-long legacy provides both a strong foundation and a clear sense of purpose.

ter.

Executing Relentlessly is how we honour the trust placed in us. From desalination plants and water recycling facilities to complex municipal and industrial projects, we bring together technology, engineering and operational excellence to deliver with consistency, quality and speed.

Scaling Responsibly defines how we expand our impact. As our presence grows across markets, customer segments and emerging opportunities, we remain guided by sustainability, governance and disciplined capital allocation, ensuring that growth strengthens long-term resilience.

Growing Profitably is the outcome of this approach. By combining execution excellence with financial prudence, we continue to build a stronger business, generate sustainable returns and unlock value for all stakeholders.

Together, these principles are shaping the next chapter of WABAG's journey: as we build on a century of expertise to realise greater ambitions, unlock new opportunities and create lasting value across the global water landscape.



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Notice of AGM

Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe", "plan", "anticipate", "continue", "estimate", "expect", "may", "will" or other similar words. Forward-looking statements are dependent on assumptions or bases underlying such statements. We have chosen these assumptions or bases in good faith and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



Ripples of Impact



Scan to visit our website

About Us

The WABAG Story

VA Tech WABAG is one of the world's leading pure-play water technology companies dedicated exclusively to creating sustainable water ecosystems. For more than a century, we have enabled communities and industries to secure, treat, recycle and reuse water, one of the planet's most precious resources.

Our comprehensive portfolio encompasses drinking water, wastewater treatment, desalination, water recycling and reuse, industrial effluent and water solutions, ultra-pure water, green energy and zero liquid discharge systems. Through these capabilities, we deliver end-to-end solutions across the entire water value chain, from technology development and engineering to project execution and long-term operations. Our integrated approach helps build resilient water infrastructure in an increasingly water-stressed world.

A Global Water Specialist

Operating in diverse geographies, we combine deep engineering expertise with a strong portfolio of proprietary technologies to deliver innovative and customised solutions that optimize customer outcomes while adhering to environmental best practices and regulatory requirements. Our Design-Build-Operate and long-term O&M capabilities enable us to create enduring value for governments, utilities and industries.

Advancing Water Security Through Impact

Every project we undertake contributes to a larger purpose of enhancing water security, promoting circular water management and supporting environmental sustainability. Through advanced and innovative solutions such as desalination, water recycling and reuse, and resource recovery, we help communities and businesses transition towards a more sustainable future.



Purpose in Metrics

3

Continents

25+

Countries

125+

Proprietary technologies

100+

Years of Water Expertise

1,500+

Water and wastewater plants globally in 3 decades

Vision

WABAGites enrich Life by
**Preserving Resources, Protecting
 Environment, Powering Economies**
 through Innovative and sustainable
 water solutions.

Mission



Values



Global Water Leadership

Among the World's Top 3

Private Water Operators and Desalination Plant Suppliers*

Recognised among the world's leading pure-play water companies, WABAG combines global scale with deep technological expertise to deliver sustainable water infrastructure that touches millions of lives across geographies.

By transforming wastewater into a resource, WABAG promotes water recycling, reuse and resource recovery, enabling industries and communities to move towards a more reliable and sustainable future.

Proven Execution Record

1,500+ Plants

Successfully Delivered for over 3 decades

A strong legacy of project delivery across municipal and industrial segments reflects decades of engineering excellence and the capability to execute complex water infrastructure projects at scale.

Integrated engineering and procurement capabilities enable efficient project execution, optimised designs and consistent delivery across complex assignments in multiple geographies.

World Class Talent Pool

2,000+ Wabagites

Driving Innovation and Execution

A highly skilled global workforce of engineers, technology specialists and project professionals forms the backbone of WABAG's ability to innovate, execute and operate world-class water assets.

*2024

400 MLD Perur SWRO Plant, Chennai, Tamil Nadu

Financial Strength and Stability**AA-/
Stable
& A1+****Strong Credit Profile**

Strong credit ratings reflect prudent financial management, disciplined capital allocation and a resilient business model that inspires confidence among stakeholders.

Robust Growth Visibility**₹172+
Billion****Healthy Order Book**

A diversified order book backed by sovereign, multilateral and blue-chip customers provides strong revenue visibility, payment security and reinforces the Company's long-term growth trajectory.

Capital Efficient Business Model**Asset-
Light
Model****Driving Sustainable Returns**

An asset-light operating model enhances capital efficiency, improves return ratios and provides the flexibility to scale operations while maintaining financial discipline.

Technology Leadership**125+
IPRs****Developed In-house**

Our portfolio of proprietary technologies and intellectual property strengthens our competitive position in desalination, water reuse, Zero Liquid Discharge (ZLD), sludge treatment and resource recovery.

Our dedicated research and development capabilities accelerate the creation of next-generation water technologies that support circular economy principles and sustainable water management.

Building Trust Across Generations

For more than a century, we have built more than water infrastructure. We have cultivated enduring relationships founded on technological expertise, execution excellence and a steadfast commitment to customer success. Amid evolving market dynamics, changing regulatory frameworks and emerging water challenges, trust has remained the backbone of our journey.

Our longstanding relationships with governments, municipalities, industries and multilateral funding institutions are built on their trust in us to provide mission-critical water infrastructure. In a reliable and responsible manner. From securing drinking water for growing cities enabling industries expansion and advancing circular water economies our solutions create value that extends far beyond project completion.

WABAG's approach to building trust is based on technology and focuses on ensuring operational excellence, financial discipline in project execution and sustainable outcomes. We have in-built capabilities from engineering to procurement, construction and long-term operations, which enable us to maintain our relationships with customers for decades.

Our innovative and collaborative ecosystem is also of equal importance.

At our international R&D centres, cutting-edge technologies, along with strong collaborations with research institutions, partners and funding agencies, continue to define the future of water management and help tackle some of the world's most critical water issues.

Pillars of Enduring Trust

Trusted by Government

Providing vital water infrastructure for public health, urban development and long-term water security.

Trusted by Global Funding Institutions

Cooperating with top multilateral and development organisations for projects supported by good governance and financial discipline.

Trusted by Industry

Providing advanced water, wastewater, reuse and resource recovery solutions as a reliable partner to critical sector, enabling sustainable industrial development.

Trusted by Communities

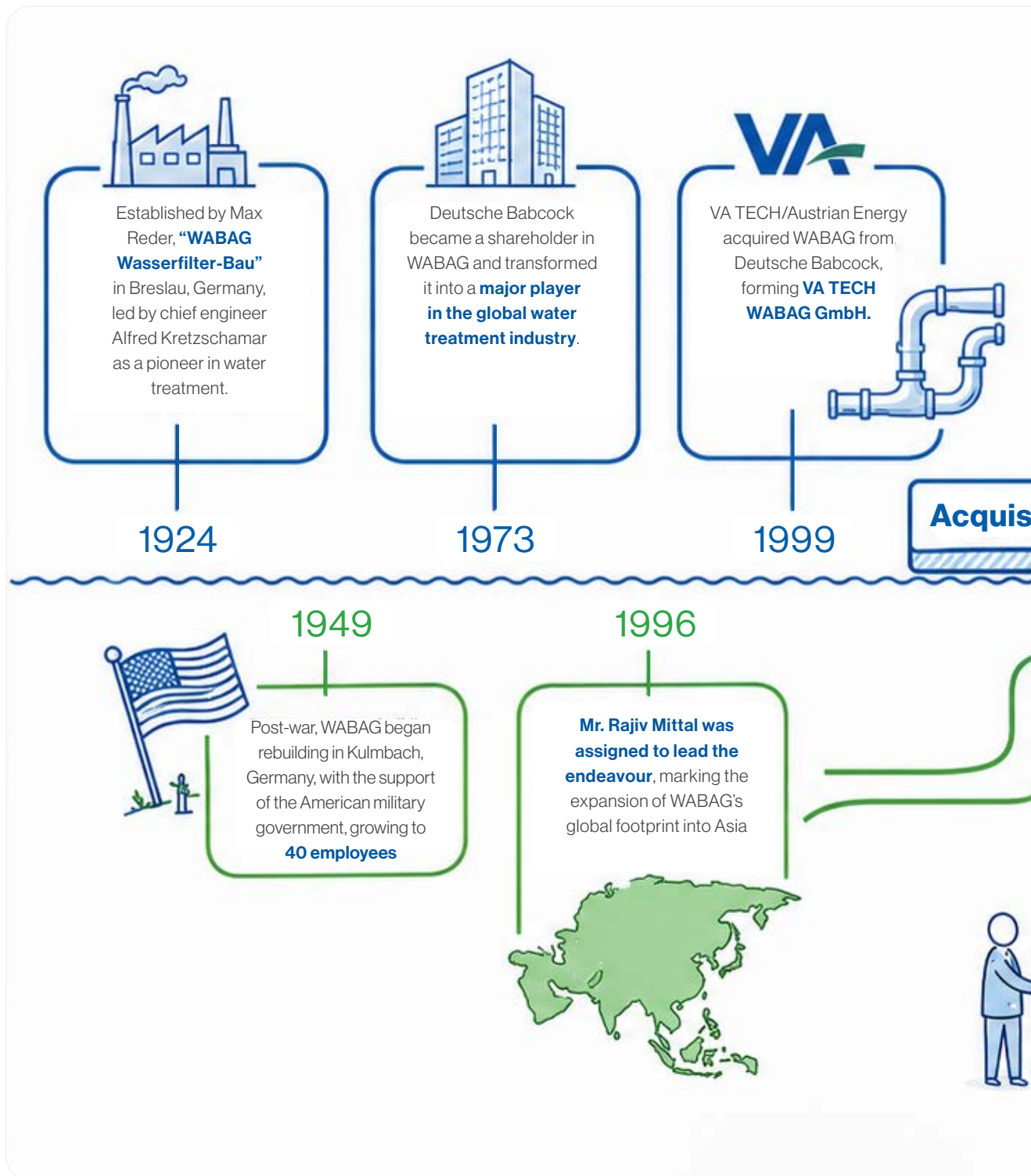
Creating a positive social and environmental impact by making clean and safe water available and supporting circular water management.

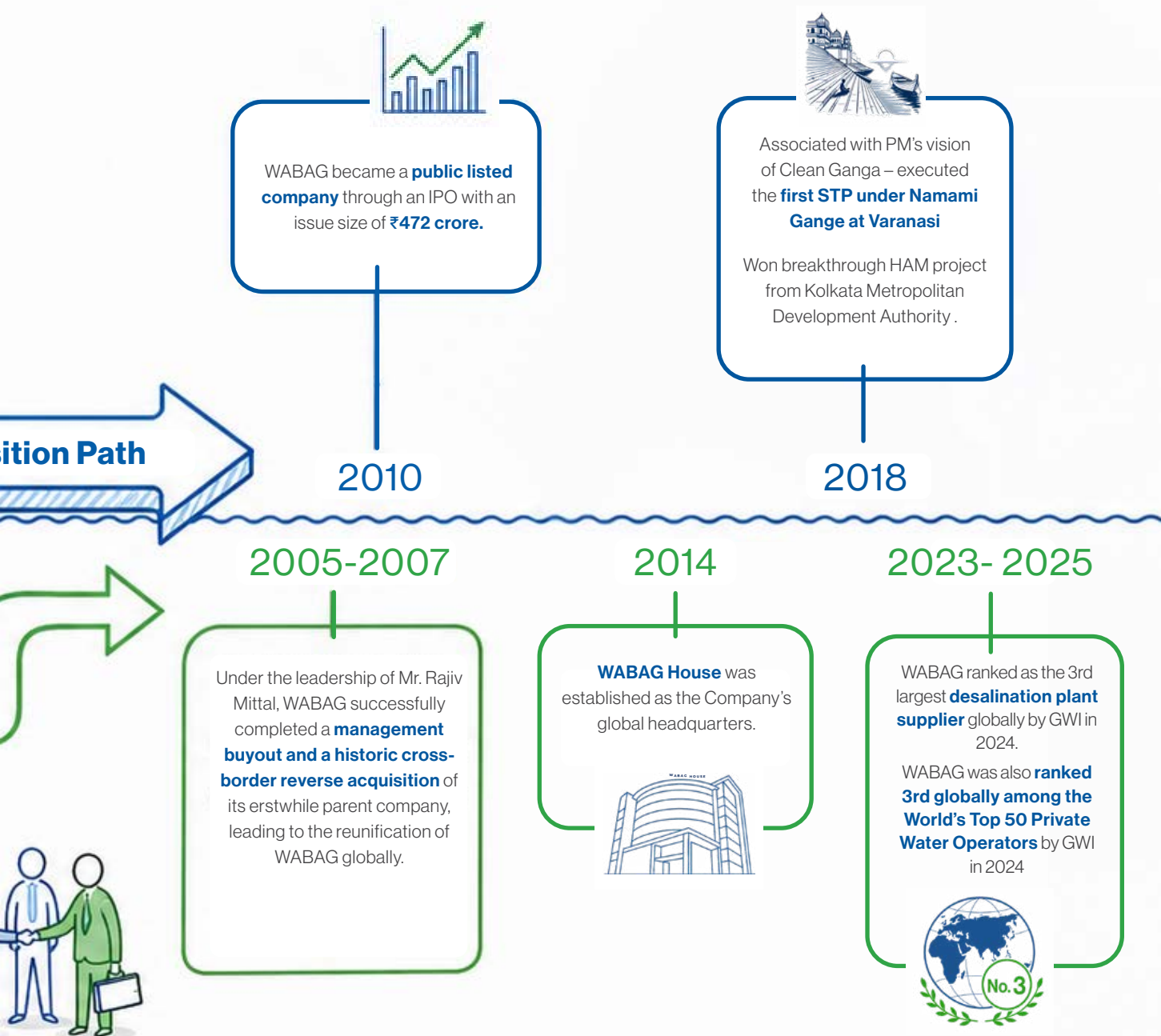
Visit of the Hon'ble Chief Minister of Tamil Nadu, Thiru. C Joseph Vijay to our SWRO Plants at Chennai, India



Our Journey

Charting a Century of Impact





Milestones of FY 25-26

Markers of Momentum

Execution and Scale

Among the World's Top 3

Private Water Operators and Desalination Plant Suppliers*

25+ Countries

Presence across

1,500+ Plants

successfully delivered since last 3 decades

2,000+ Wabagites

driving global operations

Financial Performance

₹3,944 Cr

Revenue

9.4%

PAT Margin

19.7%

Revenue Growth

19.4%

Return on Capital Employed

₹524 Cr

EBITDA

15.7%

Return on Equity

13.3%

EBITDA Margin

₹950 Cr

Cash Position

₹371 Cr

PAT

**6th
Consecutive
Year**

Net Cash Positive

Order Book and Business Visibility

₹17,235 Cr

Order Book

26%

Backlog Growth

₹7,471 Cr

Order intake for the
FY 2025-26

4x

Revenue Visibility

104 Days

Net Working Capital

Major Orders Under Execution

400 MLD Perur SWRO Plant

Chennai, India
funded by JICA

Ring Main Water Grid

Chennai, India
funded by ADB

45 MLD Kodungaiyur TTRO Plant

RFBOT at Chennai, India

200 MLD Al Haer ISTP

Riyadh, KSA

RODM & ZLD Water Block Package

for Bina Petchem and
Refinery Expansion Project,
Madhya Pradesh, India

255 MLD Melamchi WTP

Nepal
funded by ADB

State-of- Art Energy- Efficient Water Reuse Facilities

Bengaluru, India
funded by World Bank

UPW & ZLD Project for RenewSys,

Hyderabad, India

Geographical Presence

The Reach of WABAG

Water challenges may be global in nature, but effective solutions must be shaped by local realities. Our international footprint enables us to combine global technological expertise with deep local understanding, allowing us to address region-specific water needs, regulatory requirements and customer priorities.

With a presence in more than 25 countries spanning three continents, we have built a balanced platform supported by a well-diversified mix of mature and emerging markets. This geographic spread provides access to sustainable growth opportunities across both municipal and industrial segments while enhancing business resilience.

Our presence in India provides a strong foundation, supported by long-term national investments in drinking water, wastewater management and river rejuvenation. Across the Middle East, our expertise in desalination and wastewater treatment security solutions positions us to address the growing demand arising from rapid urbanisation and industrial expansion. In Europe, we are strengthening our focus on technologically advanced treatment solutions, water reuse and industrial water applications, while Africa, SAARC and Southeast Asia present significant opportunities through multilateral funded infrastructure development.



India Cluster

1. India (global headquarters)
2. Nepal
3. Sri Lanka
4. Malaysia
5. Singapore
6. Philippines
7. Vietnam
8. Bangladesh
9. Thailand



Europe Cluster

1. Austria
2. Turkey
3. Russia
4. Germany
5. Czech Republic
6. Romania
7. Switzerland
8. Georgia



MEA Cluster

- | | |
|-----------------|--------------|
| 1. Saudi Arabia | 8. Libya |
| 2. Qatar | 9. Nigeria |
| 3. Oman | 10. Senegal |
| 4. Bahrain | 11. Namibia |
| 5. Tunisia | 12. Zambia |
| 6. UAE | 13. Tanzania |
| 7. Egypt | 14. Kuwait |

Chairman and MD's Message

Executing Relentlessly Scaling Responsibly Growing Profitably



Water is emerging as the defining infrastructure challenge of the twenty-first century. With over a century of expertise, your Company is among the few global companies uniquely positioned to deliver comprehensive water solutions across the entire value chain — desalination, water reuse, industrial water management, and municipal water infrastructure. This enduring capability places your Company at the forefront of addressing one of the world's most critical and enduring needs. 



Dear Stakeholders,

The global water crisis has reached a critical stage. Over 2.1 billion people still lack access to safe drinking water, over 50% of the wastewater still remains untreated across the world. 3.4 billion people remain without safely managed sanitation, with 419 million still practising open defecation. Freshwater availability is declining by 7% every decade, even as global water consumption has increased by 25% since 2000. Beyond its humanitarian impact, water scarcity poses a significant economic challenge, already costing global industries US\$80 billion annually and placing nearly US\$70 trillion of global GDP—almost half of the world's economy—at risk by 2050.

Capital is increasingly recognizing water as the infrastructure investment of the future. From multilateral institutions to sovereign governments and private investors, unprecedented funding is being directed towards water security. India is executing the world's largest drinking water programme through Jal Jeevan Mission 2.0, Saudi Arabia is making transformational investments under Vision 2030, Africa continues to attract significant multilateral funding, the global desalination market is poised for robust growth, and dedicated water investment funds have reached nearly US\$94 billion. These trends reaffirm that water is no longer viewed merely as a utility—it is increasingly recognized as one of the world's most strategic and investable sectors.

Throughout history, water has enabled human progress. It has nourished communities, powered industries, supported agriculture and fuelled economic development. Today, it stands at the centre of one of the world's most pressing challenges. Population growth, rapid urbanisation, climate-related disruptions and changing consumption patterns are placing unprecedented pressure on finite freshwater resources, making water security a strategic

priority for governments, businesses and society alike.

The consequences are evident with Demand outpacing availability in many parts of the world. Against this backdrop, water is no longer viewed simply as a utility. It is increasingly recognised as a critical economic resource that requires thoughtful stewardship, technological innovation and sustained investment.

For WABAG, this changing landscape reinforces why we exist. For over a century, we have partnered with customers to solve complex water challenges through engineering excellence, innovation and deep domain expertise. As the world accelerates investments in sustainable water management, water reuse and resource recovery, we believe our purpose has never been more relevant. It is equally gratifying that FY 2025–26 reflects the strength of this purpose, with another year of profitable growth and disciplined execution.

The Momentum of a Transforming Water Sector

The global water industry is entering a defining phase. Governments, industries and municipalities are investing at an unprecedented pace to strengthen water resilience, modernise wastewater infrastructure and secure reliable water resources for the future.

What excites me most is the nature of the transformation. Water reuse is becoming an integral part of long-term water security strategies, desalination is expanding its role in water-stressed regions and digital technologies are reshaping the way water assets are designed, operated and optimised. These structural shifts reinforce our confidence that sustainable water management will be one of the defining infrastructure priorities of the coming

decades. I reiterate my firm belief that "Water is too precious a resource to be used only once".

Delivering Performance with Discipline

Against this encouraging backdrop, WABAG delivered another year of consistent and profitable growth. Our performance reflects disciplined execution, prudent decision-making and the resilience of our business model.

During the year, we recorded revenue of ₹3,944 crore, EBITDA of ₹524 crore and profit after tax of ₹371 crore. These results are in line with the medium-term outlook, while reinforcing our focus on profitability, healthy cash generation and superior returns. One achievement that gives me particular satisfaction is our sixth consecutive year of maintaining a net cash-positive position. It reflects the financial discipline embedded across the organisation and provides us with the flexibility to pursue new opportunities from a position of strength.

While financial growth is important, our ambition extends beyond increasing revenues. We are focused on building a business that creates sustainable value through technology-led, margin-accretive opportunities, disciplined project selection and efficient execution. This balanced approach has strengthened both our profitability and the resilience of our business.

Our order book crossed ₹17,200 crore during the year, providing strong multi-annual revenue visibility. Importantly, this order book is backed by robust payment securities, advanced technology-driven projects and a well-diversified portfolio spanning EPC and long-term O&M contracts across the world. Our credit rating was reaffirmed at IND AA- with a

Stable Outlook and A1+ for short-term facilities, reflecting the strength of our balance sheet and disciplined approach to risk management.

In recognition of WABAG's performance and confidence in its long-term prospects, our Board has recommended for shareholders approval, a final dividend of Rs 5 per equity share for FY 2025-26.

Built on Expertise, Trusted Worldwide

The opportunities emerging across the global water sector are significant. Equally important, however, is the ability to participate in these opportunities through differentiated capabilities, strong execution and a resilient business model.

Over the years, WABAG has built a strong position as one of the world's leading pure-play water technology companies, with a presence across more than 25 countries and a track record of delivering over 1,500 water and wastewater treatment plants in the last 3 decades driven by more than 2,000 engineers and water professionals, we serve municipalities and industries across the entire water value chain as a life-cycle partner.

What sets us apart is our approach. We begin by understanding each customer's unique requirements and designing solutions that balance technical excellence with commercial value. Our technology capabilities, engineering expertise and execution discipline enable us to deliver projects that create lasting value for our customers.

An asset-light business model, prudent project selection and a strong balance sheet give us the agility to pursue attractive opportunities while managing risk responsibly. Together with deep domain expertise and long-standing customer relationships, these strengths provide a solid foundation for our next phase of growth.

Strategic Markets Driving the Next Phase of Growth

India: Scaling Solutions for a Water-Secure Future

India is one of WABAG's most important growth markets. Strong public investment in water infrastructure, rising urbanisation and greater emphasis on wastewater treatment, reuse and resource recovery are creating sustained demand for advanced water solutions. National initiatives such as Jal Jeevan Mission, AMRUT and Namami Gange are further strengthening the sector's long-term outlook.

Industrial water treatment is also gathering momentum. Growth in sectors such as Oil & Gas, power and petrochemicals driving demand for advanced treatment technologies, wastewater recycling and water reuse solutions. At the same time, increasing environmental regulation and a stronger focus on resource efficiency are encouraging industries to adopt more sustainable water management practices.

Desalination and Water reuse are steadily emerging as a critical component of India's long-term water security strategy. As industries and municipalities seek to reduce dependence on freshwater resources, investments in tertiary treatment, recycling and resource recovery infrastructure are gaining momentum.

Middle East: Expanding in a High-Growth Region

The Middle East represents one of the world's most dynamic water markets and is central to our growth strategy. Water scarcity, population growth and ambitious economic infrastructure programmes across the GCC are driving sustained investment in desalination, wastewater treatment and water reuse.

The region is also seeing greater adoption of PPP models for water infrastructure. This complements our asset-light strategy and allows us to participate selectively in large-scale projects through well-structured partnerships.

Our established regional presence, growing brand recognition, desalination expertise and proven execution capabilities give me confidence in our ability to capture these opportunities. We will focus on technologies that strengthen water security while creating sustainable value for our customers and stakeholders.

Africa: Advancing Water Access

Africa offers significant opportunities as governments, development agencies and multilateral institutions accelerate investments in water infrastructure to improve access to safe drinking water and sanitation.

Financing-supported models and multilateral-backed projects play an important role in enabling infrastructure development across several markets. Drawing on our established presence and regional experience, we see considerable potential in projects that align with our technical strengths, disciplined approach to risk and value creation.

Delivering with Resilience in a Rapidly Evolving Global Environment

At Wabag, we pursue opportunities selectively, placing equal emphasis on payment security, contractual discipline and long-term value creation. Our GLOCAL operating model combines global technology and engineering expertise with strong local execution, enabling us to respond effectively to evolving geopolitical and market conditions. Supported by disciplined financial management, a diversified geographic footprint and a selective approach to project execution, we continue to deliver consistent outcomes in an increasingly dynamic environment.

Europe: Where Innovation Takes Shape

Europe remains a key component of WABAG's technology and innovation ecosystem. Our presence in the region, supported by strong research and development capabilities, enables us

to advance treatment technologies and respond to increasingly complex water challenges.

The region also provides valuable insights into evolving approaches towards water reuse, resource efficiency and sustainable water management. By combining these learnings with our global execution capabilities, we continue to strengthen our technology portfolio and deliver innovative solutions across markets.

Emerging Markets: Building the Next Growth Engine

Across Southeast Asia, Central Asia and other emerging regions, urbanisation, industrialisation and investment in water infrastructure are creating attractive opportunities for sustainable water solutions. Our strategy is clear: expand selectively, build strong local partnerships and stay close to our customers. This approach enhances execution, improves regional responsiveness and creates a solid platform for sustainable growth.

Powering the Industries of Tomorrow

The next wave of industrial growth is creating a new chapter for the water sector. Semiconductors, solar photovoltaic manufacturing, data centres, green hydrogen and AI-enabled infrastructure all depend on sophisticated water treatment systems, particularly ultra-pure water, while placing greater emphasis on efficiency, reuse and sustainability.

To capture these opportunities, we have established dedicated teams focused on emerging industries and future technologies. Our expertise in industrial water treatment, water reuse and advanced process technologies gives us confidence that WABAG is well equipped to support these sectors as they grow.

Creating Value Through Sustainability

At WABAG, sustainability is not an adjunct to our business; it is the very purpose of our existence. As pressure on freshwater resources grows, recovering, treating and

reusing water will become fundamental to the way communities and industries thrive.

This philosophy shapes the solutions we deliver. Through water reuse, desalination, resource recovery and waste-to-value initiatives, we help transform wastewater into a valuable resource while reducing dependence on freshwater sources. Our focus on circular water management enables customers to improve resource efficiency, strengthen environmental performance and enhance long-term resilience. We also believe in preserving resources and our waste water plants recovers over 40 MW of green energy from Bio-gas.

Looking ahead, sustainable water management will become even more critical as climate challenges intensify and demand for water rises. We are confident that WABAG's technology, innovation and purpose-driven approach will enable us to make a meaningful contribution to global water security while creating enduring value for all our stakeholders.

The Foundations of Our Strength

At WABAG, we believe sustainable success is built on three enduring strengths: technology, trust and talent.

Technology enables us to solve increasingly complex water challenges. Our research and development centres in India and Europe are advancing capabilities in desalination, water reuse, advanced treatment processes and digital solutions. These innovations allow us to deliver efficient, future-ready solutions that evolve with our customers' needs.

Trust has been earned through decades of delivering on our commitments. Strong relationships with customers, governments, multilateral institutions, partners and communities are founded on consistent execution, technical excellence and responsible business practices. This confidence remains one of our greatest strengths.

Our people bring these capabilities to life. Their expertise, curiosity and passion define WABAG's culture of 'Passioneering', where engineering excellence meets the passion to innovate. As we look ahead, investing in our people, developing future leaders and encouraging a culture of continuous learning will remain central to our growth.

Looking Ahead with Confidence

The outlook for the global water sector looks most promising than ever before. Investment in water infrastructure are gathering pace, while water reuse, desalination and emerging industries are driving demand for advanced water solutions.

With a healthy order book, a robust balance sheet, deep technical expertise and over a Century of Water Leadership. We are well equipped to capture these opportunities. Our focus is clear: deliver technology-led solutions, deepen our presence in strategic markets, expand into emerging industrial sectors and create enduring value for all stakeholders.

On behalf of the Board, we extend our sincere gratitude to our customers, partners, employees, shareholders and all stakeholders for the trust they have placed in WABAG. Together, we will help shape a future where every drop of water is valued, every solution creates lasting impact and every partnership contributes to a more water-secure world.

Warm regards,

Rajiv Mittal

Chairman & Managing Director

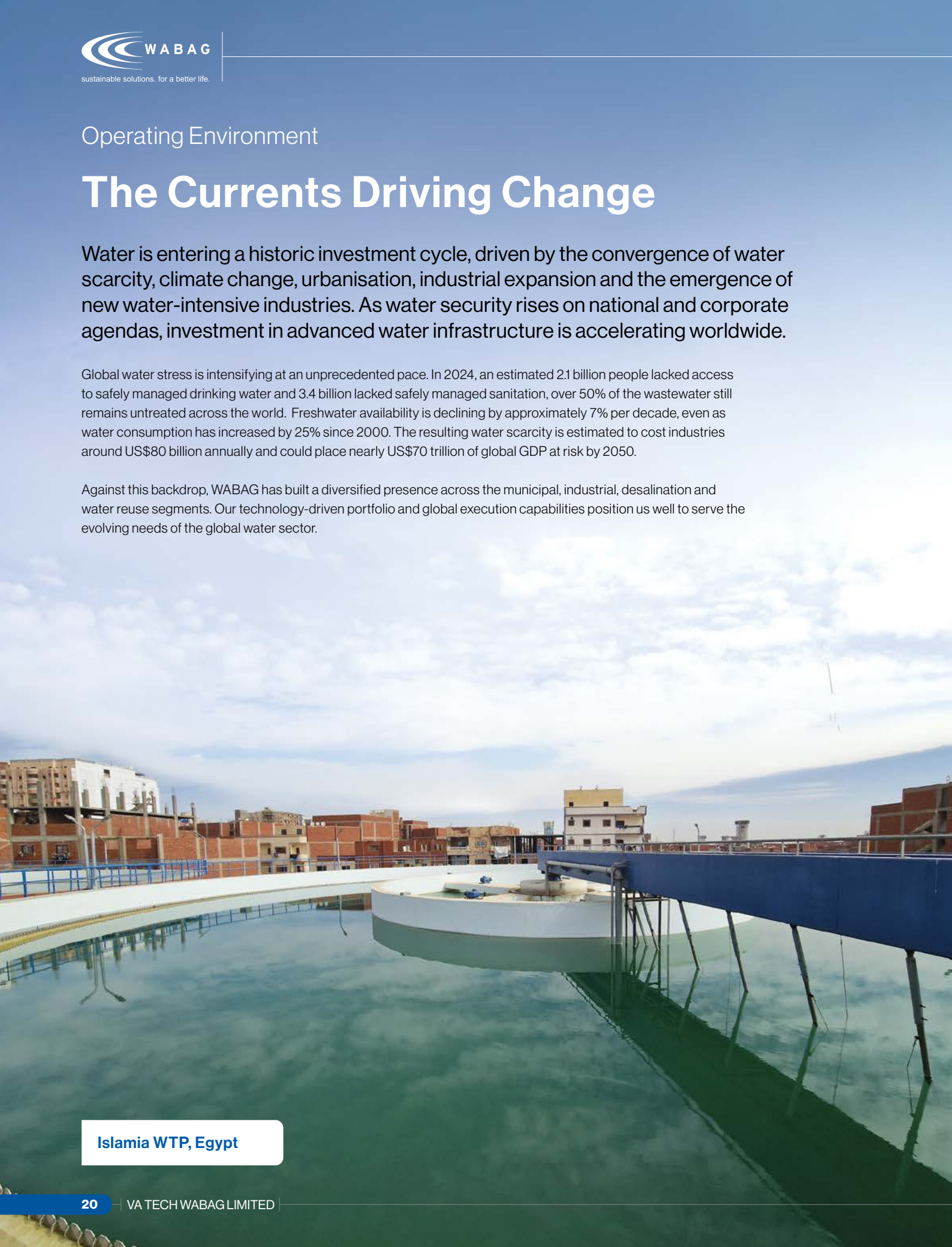
Operating Environment

The Currents Driving Change

Water is entering a historic investment cycle, driven by the convergence of water scarcity, climate change, urbanisation, industrial expansion and the emergence of new water-intensive industries. As water security rises on national and corporate agendas, investment in advanced water infrastructure is accelerating worldwide.

Global water stress is intensifying at an unprecedented pace. In 2024, an estimated 2.1 billion people lacked access to safely managed drinking water and 3.4 billion lacked safely managed sanitation, over 50% of the wastewater still remains untreated across the world. Freshwater availability is declining by approximately 7% per decade, even as water consumption has increased by 25% since 2000. The resulting water scarcity is estimated to cost industries around US\$80 billion annually and could place nearly US\$70 trillion of global GDP at risk by 2050.

Against this backdrop, WABAG has built a diversified presence across the municipal, industrial, desalination and water reuse segments. Our technology-driven portfolio and global execution capabilities position us well to serve the evolving needs of the global water sector.



Islamia WTP, Egypt

Key Market Drivers

Water Scarcity

Declining freshwater availability is accelerating investment in sustainable water infrastructure and resource-efficient solutions.

Urbanisation

Rapid urban growth is increasing demand for reliable drinking water supply and advanced wastewater management systems.

Industrial Transformation

Demand for advanced water systems in the manufacturing sector is increasing due to manufacturing expansion and environmental regulations.

Energy Transition

Structural demand for ultra-pure water solutions is growing due to the emergence of semiconductors, solar, green hydrogen and data centres.

Circular Economy

The concepts of water reuse, recycling, and resource recovery are increasingly becoming a part of the sustainable development policies and practices.



40 MLD GNN TTRO Plant, Ghaziabad, India

Water: An Infrastructure Priority for the Future

The global water landscape is being reshaped by population growth, diminishing freshwater resources and increasingly stringent environmental regulations. Governments are investing heavily in drinking water and wastewater infrastructure, while industries are adopting water reuse and circular water management practices to strengthen operational resilience and resource security.



India

₹8.69 lakh Crores
(US\$90 Bn)

in Jal Jeevan Mission 2.0



Saudi Arabia

US\$38–42 Bn

on water infra
under Vision 2030.



Africa

US\$ 30 Bn

Estimated annual water
infrastructure

The world is also moving towards sustainable development, which is leading to a fundamental shift in how water is produced, treated and reused, with wastewater increasingly viewed as a valuable economic resource.

The global desalination market is projected to expand from US\$18 billion to US\$30 billion by 2031, registering a CAGR of 8.8%, as seawater increasingly emerges as a critical alternative source for addressing global water scarcity.

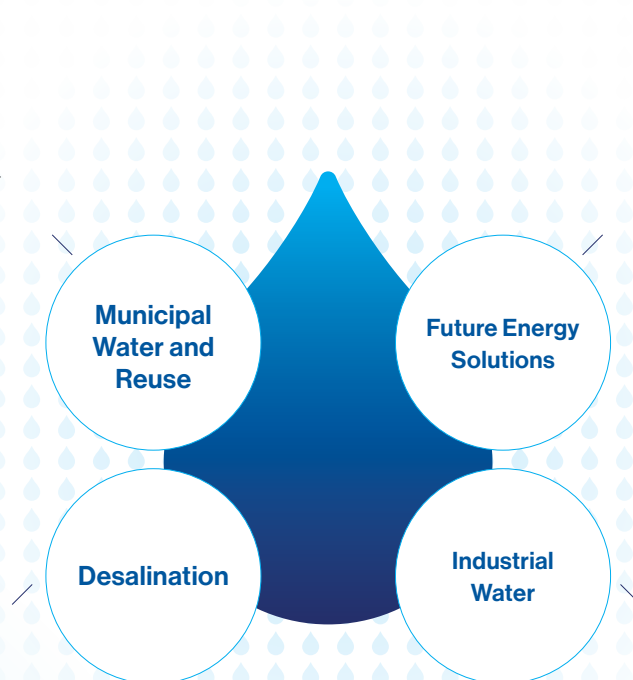
Water-focused investment funds have grown by nearly 60% since 2020 to approximately US\$94 billion, reflecting strong investor confidence, with water infrastructure increasingly delivering superior yields compared to energy and digital infrastructure assets.

A Multi-Decade Investment Opportunity

Across our core geographies, we estimate an addressable market of US\$75–100 billion over the next five to seven years, supported by policy initiatives, sovereign investments and multilateral funding programmes.

With urbanisation and environmental requirements becoming more stringent, investment is increasing in drinking water supply, wastewater treatment and water recycling facilities, providing a huge opportunity for advanced treatment technologies.

The scarcity of water is increasing and making desalination an indispensable part of the nation's water security plans, especially in the Middle East and coastal areas where water resources are already limited.



The growing demand of semiconductor manufacturing, solar energy, green hydrogen, data centres and infrastructure for artificial intelligence (AI) is ushering in a new wave of applications that require ultra-pure water and advanced treatment technologies.

Water systems are getting more efficient and industries are becoming more aware of water reuse opportunities or Zero Liquid Discharge solutions to guarantee their water systems will operate properly and be compliant with regulations.

Growth Powered by Diverse Geographies

India continues to witness significant investments in drinking water, wastewater management and river rejuvenation programmes. Across the Middle East, large-scale desalination and water security initiatives are creating substantial opportunities, while Africa, Europe, SAARC and Southeast Asia are benefiting from increasing multilateral and sovereign-backed investments.

Our diversified market presence enables us to capture opportunities across regions while reducing dependence on any single geography, customer segment or economic cycle.

Positioned for Next Wave of Water Infrastructure

Technology, policy support and long-term capital allocation are all coming together to redefine the global water industry.

Semiconductors

A single semiconductor fabrication facility can consume up to **10 million gallons of ultra-pure water per day**, making water security critical to chip manufacturing.

Green Hydrogen

The production of **one kilogram of green hydrogen requires 15–25 litres of ultrapure water**, creating demand for desalination and advanced water treatment technologies.



Four
Sectors Driving
Unprecedented Water
Demand

Artificial Intelligence (AI) and Data Centres

Rapid AI adoption is accelerating the expansion of data centre infrastructure. Hyperscale data centres consume **3–5 million gallons of water daily** for cooling, with water demand from the sector growing at **25–35%** annually. As a result, AI-driven water consumption is projected to reach **4–7 billion cubic metres** annually by **2027**.

Solar PV Manufacturing

Water demand is rising with renewable energy expansion, with **photovoltaic (PV) panel production requiring around 20 gallons per MWh** and **concentrated solar power (CSP) plants consuming 500–800 gallons per MWh**.

WABAG's knowledge and experience cover the water value chain with its long-term business development perspectives, spanning the water cycle from desalination and water reuse to the uses of industrial water and the long-term use of water.

Our Strategy

The Discipline Behind Growth

The global water industry is being reshaped by changing consumption patterns, climate change, industrial transformation and the emergence of new, water-intensive industries. These shifts are creating new demands and redefining the operating environment. WABAG's strategy is designed to respond to these changes, capture long-term structural opportunities and maintain a clear focus on responsible and profitable growth.

We have built our strategy around three complementary strategic disciplines that strengthen our market position, diversify our portfolio and create sustainable value through economic cycles.



Takelsa WWTP, Tunisia

Executing Relentlessly

Execution is the foundation of our strategy. We bring together deep engineering expertise, proven technologies and operational excellence to deliver complex water infrastructure with consistency, quality and speed. Through disciplined project delivery and reliable long-term operations, we continue to earn customer trust and create a dependable platform for growth.

Scaling Responsibly

We scale with discipline, expanding our capabilities across markets, customer segments and emerging sectors while remaining guided by sustainability and sound governance. Our approach balances opportunity with responsible capital allocation, ensuring that growth strengthens our business without compromising resilience or long-term value.

Growing Profitably

We pursue opportunities that complement our strengths, diversify our portfolio and generate sustainable returns. By deepening our presence in core markets and selectively entering high-growth sectors, we are building a stronger, more balanced business capable of creating value across economic cycles.

Together, these three strategic disciplines define our path forward: executing relentlessly, scaling responsibly and growing profitably to create lasting value for all stakeholders.

A Strategy Built on Discipline

Across all three growth engines WABAG remains guided by a consistent set of strategic principles:



Capitalising on Policy-Driven Infrastructure Spending

As governments in India and key markets across the Middle East and Africa accelerate investments in water infrastructure, we are proactively strengthening our market presence to participate in forthcoming tenders and public-private partnership initiative.



Sharpening Cluster-led Execution Focus

By utilising a cluster-based approach, we tailor our strategies to local regulatory frameworks, environmental conditions and customer needs, driving greater agility, competitiveness and operational efficiency across India, MEA and Europe.



Scaling Long-Term O&M Revenue Streams

As customers increasingly favour lifecycle partnerships, we are expanding our Operations & Maintenance (O&M) portfolio to strengthen annuity-based revenue streams, enhancing earnings stability and long-term revenue visibility.



Addressing the Industrial Demand Shift

We are addressing rising demand for advanced water solutions across industries such as Power, Refining and Petrochemicals through our specialised capabilities in effluent treatment, zero liquid discharge (ZLD) and water reuse.



Expanding Participation in Emerging Segments

Emerging segments such as waste-to-energy, green hydrogen, ultra-pure water, Compressed Bio-Gas (CBG), solar PV and semi conductors are gaining momentum and we are selectively pursuing opportunities that align with our core capabilities and long-term growth strategy.



Building on Digital and Delivery Synergies

By strengthening cross-cluster collaboration and accelerating digital adoption, we are driving greater project transparency, efficiency and agility, resulting in quicker turnaround times and superior execution outcomes.

Business Value Creation

Engineering Lasting Outcomes

At WABAG, value creation starts well before project execution and extends far beyond commissioning. Our integrated business model combines technology, engineering and operational expertise to support customers across the entire water asset lifecycle.

By bringing together conceptualization design, execution and long-term operations, we create sustainable water infrastructure that delivers enduring value for customers, communities and industries.

The Value We Deliver

Comprehensive Technical Expertise



Integrated engineering and execution capabilities that support efficient project delivery.

Technology Led Solutions



Proprietary technologies that address complex water and wastewater challenges.

Lifecycle Partnerships



A holistic approach that extends from project conceptualisation to long-term plant operations.

Sustainable Outcomes



Solutions that promote water security, resource recovery and circular water management.



End-to-End Solutions

Every Drop Every Possibility

Water is no longer viewed solely as a resource to be consumed. It is increasingly recognised as a valuable asset that must be secured, treated, reused and recovered. At WABAG, our integrated portfolio of solutions addresses every stage of the water lifecycle, enabling communities and industries to move towards a more sustainable and circular water economy.

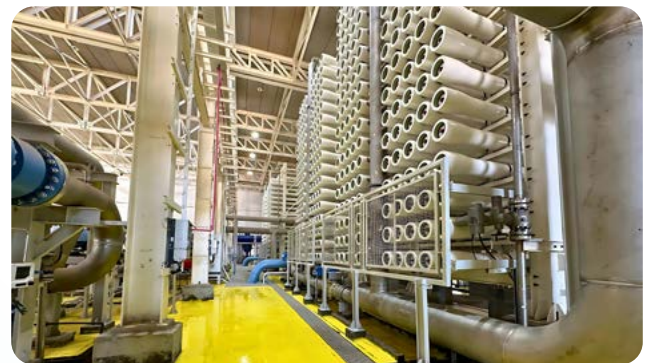
Combining proprietary technologies with deep engineering expertise, we deliver tailored solutions that address complex water challenges and generate lasting environmental, operational and economic value.

From Source to Sustainability



Water Recycle and Reuse

Through advanced purification technologies, we convert treated wastewater into a valuable resource, helping industries and cities reduce dependence on freshwater sources and enhance water resilience.



Desalination

Our desalination solutions convert sea water into potable and industrial grade water, supporting water security in regions facing increasing freshwater stress.



Wastewater Treatment

Our wastewater treatment solutions help municipalities and industries responsibly manage used water while reducing environmental impact and strengthening regulatory compliance.



Drinking Water Treatment

We transform raw water into safe and reliable drinking water through advanced treatment technologies, supporting public health, urban development and improved access to clean water.



Ultra-Pure Water

We provide specialised treatment solutions for high-growth sectors such as semiconductors, solar manufacturing, green hydrogen and data centres, where ultra-pure process water is essential.



Effluent Treatment

Our effluent treatment solutions help industries treat process wastewater efficiently, enabling regulatory compliance, operational efficiency and opportunities for water reuse.



Sludge Management and Resource Recovery

We recover water, energy and valuable by-products from wastewater streams, transforming waste into resources and supporting circular economy objectives.



Zero Liquid Discharge

Our Zero Liquid Discharge solutions maximise water recovery while minimising environmental discharge, helping customers improve resource efficiency and environmental performance.



Bio-CNG

Our Bio-CNG solutions convert organic waste and sludge into clean renewable energy, promoting waste-to-wealth practices and supporting the transition towards a circular economy.

Revenue Models



Engineering, Procurement and Construction

WABAG delivers end-to-end EPC solutions, spanning project conceptualisation, design, engineering, procurement, construction and commissioning. Given the complexity of EPC execution each project requires continuous assessment and management of multiple variables, including diverse technologies, site specific conditions and varying geographic locations.



Design-Build-Operate

WABAG undertakes long-term Design-Build-Operate (DBO) contracts that enhance operational performance while optimising lifecycle costs. Backed by strong in-house engineering capabilities, robust procurement processes, construction expertise and dedicated operations and maintenance services, we deliver integrated solutions that make us a trusted partner for DBO projects.



Hybrid Annuity Models

WABAG offers end-to-end solutions under the Hybrid Annuity Model (HAM), encompassing financing, construction and operation of water and wastewater projects. Employing an asset-light business model and strong execution capabilities, we secure competitive financing, ensure timely project delivery and drive long-term operational efficiency.



Operation and Maintenance

WABAG provides comprehensive operation and maintenance services for water and wastewater treatment plants, ensuring reliable and efficient performance. Building on our extensive expertise and operational experience, we optimise plant processes, enhance efficiency and help clients maximise long-term asset value.

Industries We Empower



Municipal Water and Wastewater



Oil and Gas



Power plants



Steel



Food and Beverage



Fertilizer



Industrial Parks



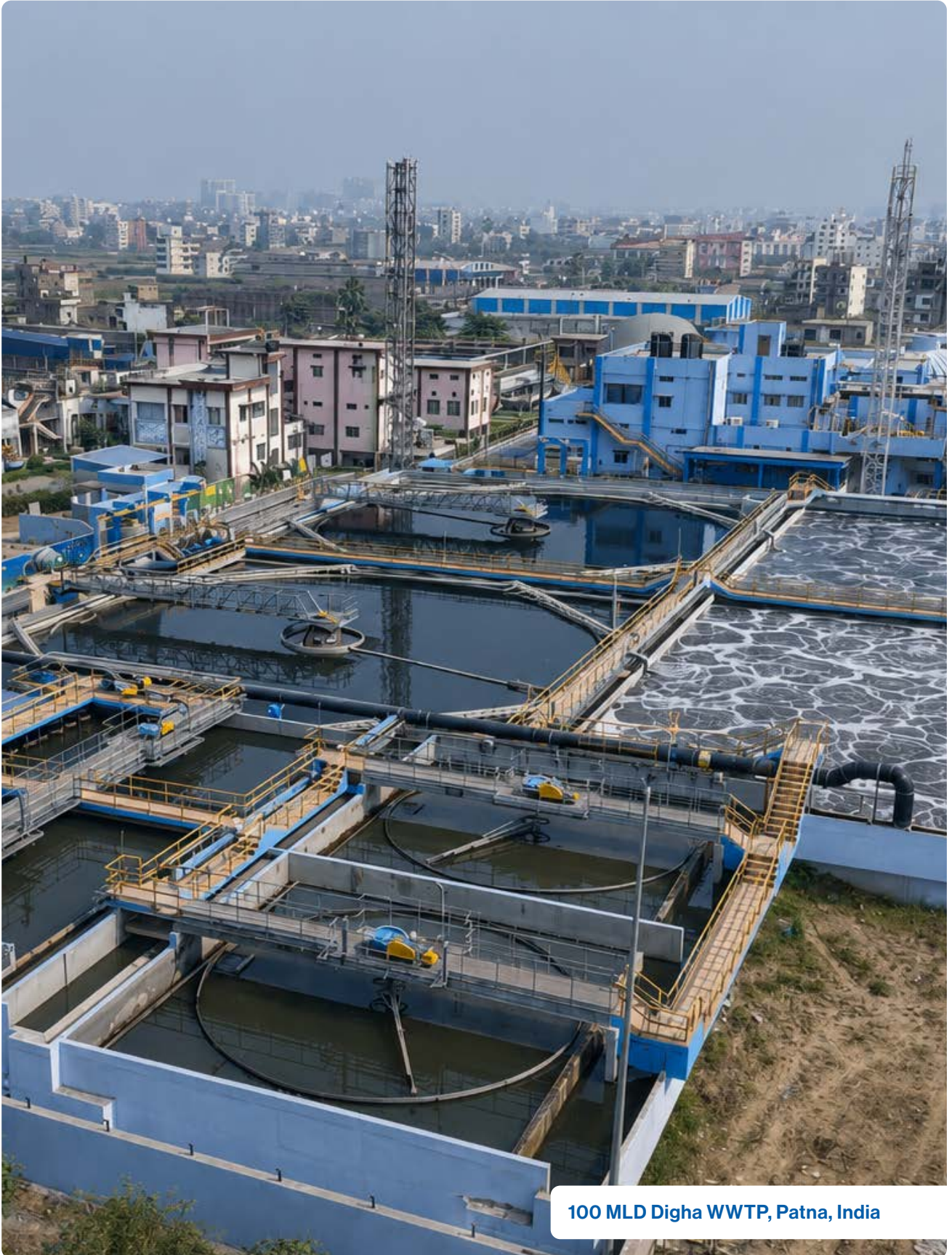
PV Solar



Semiconductors



Green Hydrogen



100 MLD Digha WWTTP, Patna, India

Our Assets

Innovating for a Water-Secure Future

Innovation has always been central to WABAG's evolution for more than a century. Throughout our journey, we have strengthened our technological capabilities to address some of the world's most pressing water challenges. Today, as water security, resource efficiency and sustainability move to the forefront of global priorities, our innovation ecosystem plays a vital role in shaping the next generation of water solutions that create value for customers, communities and the environment.

Our approach extends beyond research. We focus on translating ideas into commercially viable solutions that strengthen our technological leadership, address emerging industry needs and advance the future of water management.

125+

Proprietary Technologies

₹47 Million

Total R&D Spend in FY 2025-26

Driving Innovation Through Expertise

Through our global R&D network in India and Europe, we continue to pioneer advanced technologies that address complex water treatment requirements, including ZLD applications and emerging contaminants such as per- and polyfluoroalkyl substances (PFAS) and antimicrobial resistance.

Over 125 intellectual properties and proprietary technologies support solutions focused on sustainability, energy recovery and circular water management.

Digitisation and automation initiatives, including centralised plant monitoring through the Chennai NOC and AI-based optimisation pilots at TTRO facilities, are enhancing operational reliability, efficiency and responsiveness.

An AI tool is used also at the Madinat Salman water reclamation plant at Bahrain for the optimization of the biological process.

A Global Innovation Ecosystem

Our R&D hubs in India and Europe are the pillars of technology leadership, where scientists, engineers and industry partners come together to create solutions to address the changing water challenges.

In close collaboration with research institutions, universities and technology partners, we speed up the development and application of innovative treatment technologies to facilitate sustainable water management in municipal and industrial applications.

Some of our key partnerships include

01

Johannes Kepler
University Linz,
Austria

02

Vienna University
of Technology,
Austria

03

Indian Institute of
Technology Madras,
Chennai, India

04

Institute of
Chemical
Technology (ICT),
Mumbai, India

05

EAWAG – Swiss
Federal Institute of
Aquatic Science and
Technology

06

IWW Water Centre,
Mülheim, Germany

07

Technical University of
Dresden, Germany

08

Anna University,
Chennai, India

09

Istanbul Technical
University, Turkey

10

Technical University of
Construction, Bucharest

BLUE SEED

Innovation thrives through collaboration. The BLUE SEED initiative is part of our broader strategy to foster innovation, support emerging start-ups, and create sustainable value for society. Through our BLUE SEED platform, we have received an encouraging response from water-focused entrepreneurs "Waterpreneurs" and are actively exploring collaboration opportunities through equity investments, pilot deployments, and strategic partnerships.

We recently completed our first co-investment round alongside IIM Calcutta Innovation Park and Small Industries Development Bank of India (SIDBI) in Nimble Vision, an AI and IoT sensor-based start-up focused on advancing water infrastructure intelligence.

The initiative has also attracted significant interest from leading incubation and academic institutions. We have signed multiple Memorandum of Understanding (MoUs) with IITs and IIMs to accelerate

innovation and technology development in the water and wastewater sector. In parallel, we are evaluating a growing pipeline of promising start-ups, assessing their technological capabilities, market viability, and scalability potential to identify opportunities for commercialization and long-term value creation.



Outlook

As the water sector evolves, we are investing in technologies, partnerships and capabilities that will define the future of water management. Through a culture of innovation and collaboration, we are developing solutions that help communities and industries secure, treat, recycle and recover one of the world's most valuable resources.

Our People

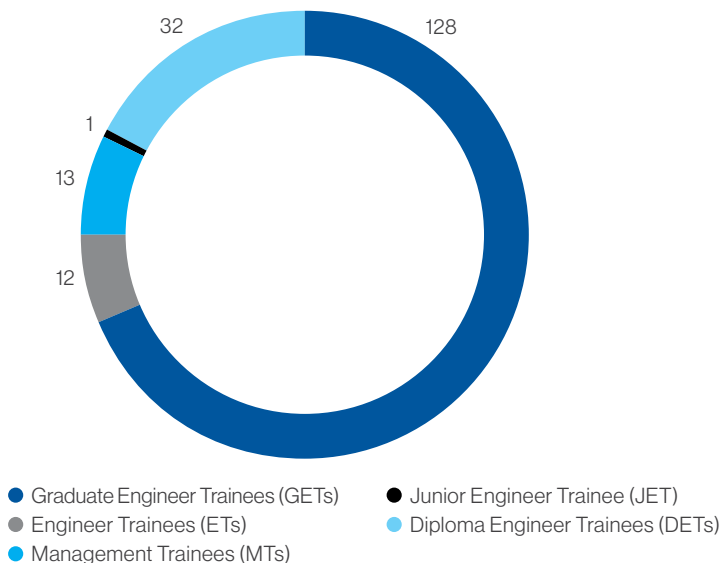
People at the Core

Our people are the foundation of our success, and we are dedicated to cultivating a workplace where everyone can grow, lead, and excel. We provide a safe, inclusive environment supported by competitive rewards and structured recognition. By investing in industry-leading training, leadership acceleration, and high-impact business exposure, we ensure our workforce is empowered to drive long-term value.

Talent Development and Future Leaders

At WABAG, we remain deeply committed to advancing employee learning and capability development, recognizing talent as a key driver of long-term sustainability and growth. our active participation in the Viksit Bharat 2046 vision for India, we have an active participation in various Skill development initiatives from BOATS (Board of Apprenticeship Training Scheme), viz: National Apprenticeship Training Scheme (NATS).

Number of trainees



Gender Diversity Ratio

186

Onboarded trainees across India

35%

of female trainees

Young Entrepreneur Programme (YEP):

The Young Executive Program (YEP) is designed to build a strong leadership pipeline by identifying promising young engineers and executives with high growth potential. The program supports their professional development through Executive MBA education at premier institutes, enabling them to prepare for enhanced managerial and leadership roles within the organization.

Extra Milers / Emerging Talents:

As part of our commitment to nurturing future leaders, the Company has launched a dedicated programme aimed at identifying and developing high-potential talent among trainees

WABAG Gurukool

To foster a continuous learning culture across WABAG, we launched our digital learning portal, The WABAG Gurukool, in partnership with Tesseract Learning. While adoption of their Kredo platform is in its early stages, it serves as the foundational pillar for our long-term talent upskilling and knowledge enhancement.



Leadership Training

Entrepreneurship Masterclass:

Entrepreneurship at VA Tech WABAG reflects a mindset that empowers employees to think beyond defined job descriptions and actively shape the organization's future. This pillar ensures that every employee, regardless of role or seniority, has the opportunity to contribute ideas, challenge existing practices, and create value.

Accent Leadership Program (Hi-Pot under 40): WABAG's ACCENT Leadership Program is a strategic initiative to identify, nurture and to build a future-ready leadership pipeline.

Awards & Recognitions

WABAG is proud to be certified as a "Great Place to Work" for the period February 2026 to February 2027, reinforcing our unwavering commitment to building a workplace rooted in trust, inclusivity, and high employee engagement.

Platinum Award at the Arogya Healthy Workplace Awards, marking a significant milestone in our wellbeing journey. This highest level of recognition affirms our holistic approach to health, safety, and wellness across all locations



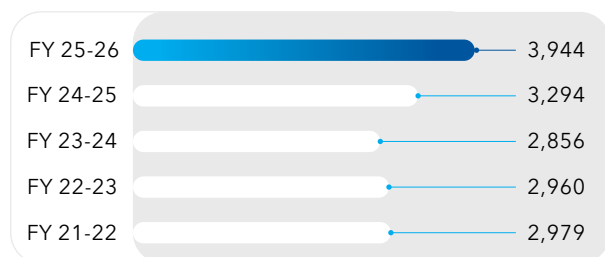
The Numbers Behind Our Growth

Growing Profitably

Revenue

(₹ in Crores)

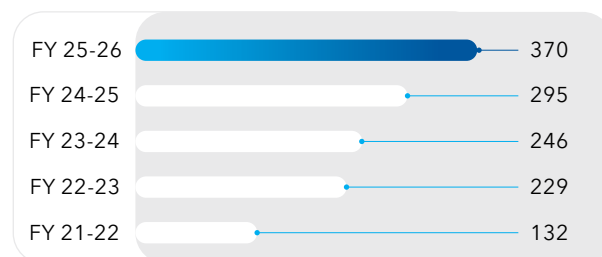
3,944



PAT

(₹ in Crores)

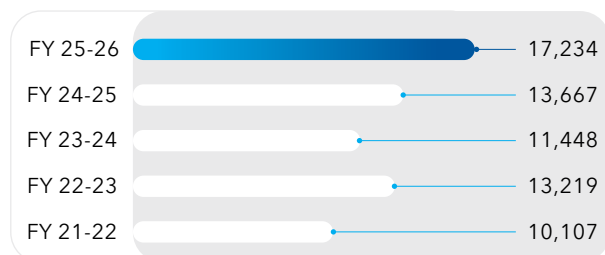
370



Order Book

(₹ in Crores)

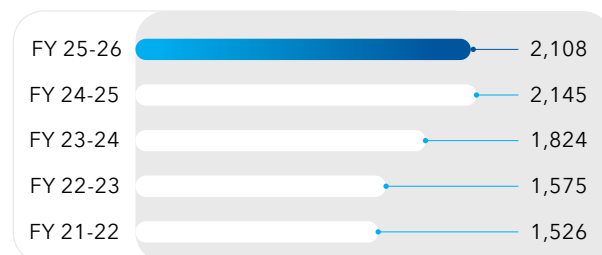
17,234



Net Worth

(₹ in Crores)

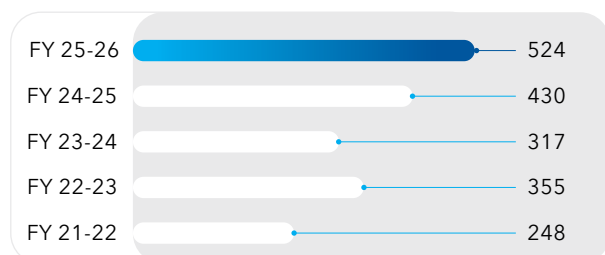
2,108



EBITDA

(₹ in Crores)

524



Long-Term Aspirations

Our North Star

Global Water Leader

- Expand our presence to 30+ countries, with deeper market penetration across the GCC, Africa, SAARC, Southeast Asia and the CIS region
- Strengthen our position among the world's leading desalination players
- Establish ourselves as the preferred Engineering, Procurement (EP) and Operations and Maintenance (O&M) partner for leading multilateral funding institutions

Technology Pioneer

- Scale AI and machine learning applications throughout our plant portfolio
- Expand our Future Energy Solutions portfolio, including ultra-pure water (UPW), Bio-CNG, green hydrogen and digital water technologies
- Nurture the BLUE SEED ecosystem and invest in breakthrough water technologies with the potential to redefine the industry

Profitable and Responsible Growth

- Deliver consistent growth in revenue, earnings and returns.
- Increase the contribution of O&M annuity revenues to more than 20% of overall revenue, enhancing visibility and cash flow predictability
- Maintain a net cash-positive position while supporting a progressive dividend policy

Sustainability Champion

- Accelerate water reuse and TTRO adoption across Indian cities and industry
- Scale Bio-CNG — converting waste to value
- 20% emission reduction by 2035; 50% water positivity by 2030

Employer of Choice

- Increase female workforce representation to 12% by 2030 while promoting an inclusive and diverse workplace
- Achieve zero lost-time injuries and maintain world-class Environment, Health and Safety (EHS) standards
- Digital transformation in project execution and capability building

Most Valued Company

- Sustain Return on Equity (RoE) above 15%, supported by consistent earnings growth and shareholder returns
- Broaden institutional ownership and strengthen engagement with ESG-focused investors.
- Uphold the highest standards of governance through an independent Board, ethical conduct and transparent decision-making.

Why Invest in WABAG

The Advantage of Being Essential

The global water sector is no longer shaped by discretionary expenditure. It is being driven by structural imperatives including stricter environmental regulations, rapid industrialisation, increasing water scarcity and the rise of next-generation manufacturing industries.

For WABAG, these developments are interconnected. They create opportunities across technologies, customer segments and delivery models where we have established expertise and a proven execution track record.

> \$1 Bn

Market Cap

Dividend recommended

250%

of face value (FY 2025-26)

Over 4 times

Revenue visibility

15.7%

ROE

01

Regulation is Driving Essential Infrastructure Investment

Environmental compliance requirements are making investments in water and wastewater infrastructure increasingly non-deferrable. As discharge standards tighten and monitoring frameworks become more stringent, industries and municipalities must invest in advanced treatment systems.

For WABAG, regulatory mandates convert latent demand into active and time-bound procurement opportunities.

02

India's Industrial Transformation is Opening New Avenues

The expansion of sectors such as solar manufacturing, semiconductors, green hydrogen and advanced chemicals is creating demand for sophisticated water technologies that were previously limited to global markets.

These industries require ultra-pure water, advanced effluent treatment and Zero Liquid Discharge systems, creating opportunities for technology-led solutions.

03

A Market Aligned with Long Term Trends

The convergence of regulatory requirements, industrial growth, water scarcity and sustainability priorities is expanding the need for integrated water solutions.

As these structural trends continue to evolve, WABAG remains positioned to deliver technology-led solutions that support water security, industrial progress and sustainable development.

04

Technology Breadth Strengthens Competitive Positioning

WABAG's capabilities span desalination, water reuse, industrial water, ultra-pure water and Zero Liquid Discharge solutions.

This diversified technology platform enables us to address complex water challenges while participating across multiple high-growth segments.

05

Water Scarcity is Redefining Infrastructure Priorities

Declining freshwater availability and increasing pressure on conventional water sources are accelerating investments in water reuse, desalination and circular water management.

As industries seek greater water security and operational resilience, advanced water infrastructure is becoming an essential component of long-term growth.

Board of Directors



Rajiv Mittal

Chairman and Managing Director



Milin Mehta

Independent Director



Vijaya Sampath

Independent Director



Ranjit Singh

Independent Director



Amit Goela

Non-Executive
Non- Independent Director



S Varadarajan

Whole Time Director and
Chief Growth Officer



- Audit Committee
- Capital Allocation Committee
- Corporate Social Responsibility Committee
- Nomination and Remuneration Committee

- Risk Management and Monitoring Committee
- Stakeholders' Relationship Committee
- Sustainability Committee

Leadership Team



Bhupesh Chowdary Nagineni

Deputy Managing Director



Skandaprasad Seetharaman

Chief Financial Officer



Shailesh Kumar

CEO, India Cluster



Rohan Mittal

Head-Strategy & Business
Growth-GCC



Mahmut Gedek

CEO, Europe Cluster



V. Arulmozhi

CFO, India Cluster



Anup Kumar Samal

Company Secretary &
Compliance Officer

Awards and Accolades

A Legacy of Recognition



CII-SR EHS **Excellence Awards**



Asia's Most Promising Business Leaders, 2025-26



CSR Times Awards, 2025



IGBC Platinum Rating for **WABAG House**



Construction Academy Awards



CII-IGBC Green Buildings Excellence Award 2025



SEA - ESH Excellence Award, 2026



Arogya World Platinum Healthy Workplace Award



World CSR Congress, 2026



**Water Digest World Water Awards
2025–26: Best WWTP, Net Zero Initiative,
Complete Water Solutions provider**



**ET NOW, Champion of
Circular Revolution, 2025**



**Global Sustainability &
Innovation Awards 2026**



NOCIL Award, 2026 -IICHe



**CII-SR Climate Action
Competition Awards, 2026**



**Smart Manufacturing & Enterprises
Award 2026**



Global Water Awards, 2026



Most Preferred Workplace, 2026



Great Place to Work, 2026

Board's Report

Dear Members,

The Board of Directors is pleased to present the thirty first (31st) Board's Report on the business and operational performances of VA TECH WABAG LIMITED ("the Company" or "WABAG") together with the audited financial statements (standalone and consolidated) for the financial year ended March 31, 2026.

KEY FINANCIAL HIGHLIGHTS, RESULTS OF OPERATIONS AND STATE OF AFFAIRS

The key highlights of the Company's financial performances for the financial year ended March 31, 2026 are summarized below:

(INR Million)

Particulars	Standalone		Consolidated	
	FY 2025-26	FY 2024-25	FY 2025-26	FY 2024-25
Total Income	34,014	29,107	40,385	33,386
(including Revenue from Operations and Other Income)				
Profit before Interest, Tax & Depreciation (EBITDA)	4,709	4,029	5,241	4,302
Profit before Tax	4,494	3,615	4,886	3,884
Tax Expenses	1,150	902	1,188	896
Profit for the period	3,344	2,713	3,698	2,948

FINANCIAL GROWTH

Your Company has a milestone year of profitable growth i.e., with profits expanding at a higher rate faster than revenue growth. During the year, the Consolidated EBITDA grew by 21.83% YoY and the Consolidated PAT grew by 25.44% YoY. Your Company closed this financial year at a historic high order book position of INR 172,000 Million approximately with a Net Cash Positive of INR 9,500 Million, ensuring robust revenue visibility and sustainable growth momentum.

Key Orders received:

Order details	Nature of Contracts	Classification
300 MLD SWA, Yanbu Al-Bahr, KSA – Desalination	EPC	Mega
CMWSSB- Chennai Ring Main system	DBO	Mega
CMWSSB- 45 MLD TTRO Plant in Chennai (RFOMT)	PPP	Mega
BWSSB, Bengaluru – WWTP	DBO	Large
Al Madina Al Shamaliya (AMAS), Bahrain - STP	O&M	Medium
RenewSys India Pvt. Ltd., Hyderabad – UPW/ZLD/ETP	EP	Small
Compressed Bio-Gas Production, Uttar Pradesh	BOT	Small
255 MLD, Melamchi Water Supply Development Board, Nepal - WTP	DBO	Large
50 MLD SWA, Aljouf, KSA - BWRO Plant	EPC	Large
Water Block Package from BPCL, Bina, MP – RWTP/RODMP/ZLD	EPC	Large

(EPC – Engineering, Procurement & Construction; EP – Engineering & Procurement; DBO - Design, Build & Operate; O&M – Operations & Maintenance; PPP - Public-Private Partnership; BOT – Build Operate & Transfer; WWTP - Wastewater Treatment Plant; IWWTP - Industrial Wastewater Treatment Plant; ISTP - Industrial Sewage Treatment Plant; ETP – Effluent Treatment Plant; ZLD – Zero Liquid Discharge; STP - Sewage Treatment Plant; UPW – Ultra Pure Water; RWTP - Raw Water Treatment Plant; TTRO - Tertiary Treatment Reverse Osmosis)

Order Classification	Small	Medium	Large	Major	Mega
Domestic (in INR Crores)	Upto 100	100 to 250	250 to 600	600 to 1,000	Above 1,000
International (in USD Millions)	Upto 10	10 to 30	30 to 75	75 to 150	Above 150

KEY DEVELOPMENTS DURING FY 2025-26:

- **Biogas to Bio-CNG** - Building on our strategic partnership with Peak Sustainability Ventures to develop 100 Bio-CNG plants globally, WABAG achieved a significant milestone with the development of its first Bio-CNG project at the 70 MLD STP in Dundaheda, Ghaziabad, Uttar Pradesh. This project will convert sewage-derived biogas into high-quality renewable Bio-CNG, supporting India's clean energy transition and circular economy goals. Executed under a BOT model through a dedicated SPV (Ghaziabad Bioenergy Private Limited), the project is expected to reduce approximately 250,000 metric tons of carbon emissions over its lifecycle. WABAG will lead the execution and O&M, reinforcing its commitment to sustainable and scalable waste-to-energy solutions.

- **PV Solar, Semiconductor & Green H₂** - This initiative aims to deliver high-purity water solutions that meet the most stringent industrial standards, ensuring consistent performance, operational reliability, and regulatory compliance across critical manufacturing environments, while also contributing to the conservation of precious raw and groundwater resources.

In advanced industries such as semiconductors, photovoltaics, microelectronics, green hydrogen, and data centers, water purity is mission-critical. WABAG is well positioned as a comprehensive water solutions provider, offering end-to-end capabilities across the entire water value chain—from raw water treatment to Ultra-Pure Water (UPW) systems, as well as Effluent Treatment Plants (ETP) and Zero Liquid Discharge (ZLD) solutions—backed by long-term Operations & Maintenance (O&M) expertise.

WABAG is actively collaborating with technology partners, and consultants, and has developed a strong project pipeline in these emerging sectors. As a testament to our growing presence, we have secured a major desalination project from the photovoltaic (PV) solar sector in previous financial year. Building on this momentum, we have also been awarded with a breakthrough order for UPW, ETP, and ZLD facilities for a PV solar manufacturing project in FY 2025–26 and preferred bidder in many upcoming PV Solar UPW projects.

- **Digitalization (AI for Operational Excellence)** - WABAG has partnered with Pani Energy, a leading technology Company, to deploy AI/ML-based operational intelligence solutions across our treatment plants. As part of our digital transformation strategy aimed at enhancing automation and operational efficiency, we have implemented these solutions at the Ghaziabad TTRO Plant and the recently awarded Kodungaiyur TTRO Plant, which includes an 18.5-year O&M contract. Additionally, the Koyambedu TTRO Plant is already equipped with an AI-powered platform that enables real-time performance monitoring, predictive analytics, and process optimization.

Building on these successes, WABAG is actively conducting pilot projects with several AI and IoT technology providers to further

enhance plant intelligence, operational efficiency, and asset performance across our projects in India and the Middle East.

Further, under the "One City, One Operator" and Water Supply Network initiatives, we have onboarded SmartTerra, an AI-powered data analytics Company with specialized expertise in water utilities. This collaboration is focused on helping utilities to reduce water losses and Non-Revenue Water (NRW), improve operational efficiency, and enhance revenue realization through advanced data-driven insights and decision-making tools.

- **BLUE SEED** - This initiative is part of our broader strategy to foster innovation, support emerging start-ups, and create sustainable value for society. Through our BLUE SEED platform, we have received an encouraging response from water-focused entrepreneurs "Waterpreneurs" and are actively exploring collaboration opportunities through equity investments, pilot deployments, and strategic partnerships.

We recently completed our first co-investment round alongside IIM Calcutta Innovation Park and Small Industries Development Bank of India (SIDBI) in Nimble Vision, an AI and IoT sensor-based start-up focused on advancing water infrastructure intelligence.

The initiative has also attracted significant interest from leading incubation and academic institutions. We have signed multiple Memorandum of Understanding (MoUs) with IITs and IIMs to accelerate innovation and technology development in the water and wastewater sector. In parallel, we are evaluating a growing pipeline of promising start-ups, assessing their technological capabilities, market viability, and scalability potential to identify opportunities for commercialization and long-term value creation.

Return on Investments

WABAG's long-term strategy "**Wriddhi**" continues to deliver robust results driving on Return on Equity (RoE) up from ~7.9% in FY 2021 to ~15.7% in FY 2026. Your Company is committed to follow the path of "Wriddhi" and expects this upward trajectory to sustain and continue growing in the years to come. Today, WABAG operates in over 25 countries across the world through a network of Subsidiaries, Joint Ventures, Associates, Branch Offices and Permanent Establishments, etc. This strong global presence enables WABAG group to secure marquee international contracts from emerging territories at competitive prices against international competition.

Your Company remains focused on investing in high-growth emerging economies while scaling down its exposure to the European region, in line with our long-term strategy, with the objective of maximising capital returns. Majority investments of the Company are non-current in nature and invested in Group companies as equity instruments, hence return on investment ratio is not computed. Our Global-Local (GLOCAL) enables optimum utilisation to deliver projects cost-effectively, on time with superior quality. Backed by over 125 IP Rights, your Company continuously develops new technologies that grants us a distinct competitive advantage and early mover positioning in key emerging economies.

Liquidity

The Group Treasury function continued to strengthen WABAG's financial resilience and liquidity position during FY 2025-26 through disciplined working capital management, robust cash flow monitoring, and focused collection efforts. The Company achieved the significant milestone of remaining net cash positive for the sixth consecutive year, reflecting the strength of its balance sheet and prudent financial management. Higher cash balances and continued debt reduction further reinforced WABAG's conservative capital structure and financial flexibility.

Strategic treasury initiatives aimed at optimizing cash utilization, accelerating receivable collections using trade finance, and efficiently deploying surplus funds contributed to improved liquidity and cash conversion. These efforts enabled the Company to effectively support operations, execute projects, and pursue growth opportunities while maintaining financial discipline. With a strong liquidity profile and sustained cash surplus, WABAG remains well-positioned to support its expanding global business, capitalize on emerging opportunities, and create long-term value for stakeholders.

BUSINESS ENVIRONMENT

The global economy maintained a resilient growth trajectory during FY 2025-26 despite heightened trade tensions, geopolitical uncertainties and evolving monetary policy conditions. Global growth was estimated at around 3.0% in 2025, supported by improving financial conditions, fiscal expansion in certain major economies, continued investments in artificial intelligence and digital technologies, and easing inflationary pressures. Emerging market and developing economies continued to outperform advanced economies, driven by stronger domestic demand, infrastructure investments and structural reforms.

While global inflation moderated further during the year, risks remained from geopolitical conflicts, supply chain disruptions, trade policy uncertainties and commodity price volatility. Nevertheless, the medium-term outlook remained broadly stable, supported by technological innovation, sustainability-focused investments and resilient labour markets across major economies. The International Monetary Fund projects global growth of 3.1% in 2026, reflecting cautious optimism amid an environment of persistent but manageable economic challenges.

(Source: [IMF World Economic Outlook Update, July 2025](#); [IMF World Economic Outlook, April 2026](#))

India maintained its position as one of the world's fastest-growing major economies in FY 2025-26, with GDP growth estimated at 7.4%, supported by strong domestic consumption, public investment and improving private sector participation. Government-led programmes such as Jal Jeevan Mission, AMRUT 2.0 and Namami Gange continued to drive investments in water infrastructure, wastewater reuse, digital monitoring and sustainable urban development, reinforcing long-term opportunities across the water sector value chain.

(Source: [Economic Survey 2025-26 and MoSPI](#))

Your Company is well-positioned to benefit from the increasing global focus on water security, sustainability and climate resilience. Backed by its asset-light strategy, technology expertise and ESG-driven solutions, your Company continues to address evolving water challenges while delivering sustainable growth and long-term stakeholder value.

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, except as otherwise disclosed herein.

DIVIDEND AND ITS POLICY

Final Dividend:

In view of your Company's performance and in accordance with the Dividend Distribution Policy of your Company, the Board recommends a final dividend of INR 5.00/- per equity share of INR 2/- each fully paid-up (i.e. 250%) for the FY 2025-26, payable out of the profits of the year.

Subject to the approval of the Members at the ensuing 31st Annual General Meeting (AGM), the said dividend will be paid to those Members and Beneficial Owners whose names appear in the Register of Members of the Company as on the record date i.e. **Friday, July 17, 2026**. The approved final dividend will be dispatched or electronically credited on or before September 10, 2026.

Pursuant to the provisions of the Finance Act, 2026, the dividend income is taxable in the hands of the Members, effective from April 01, 2020. Accordingly, the Company is required to deduct tax at source from the dividend paid to its Members at the rates prescribed under the Income Tax Act, 2025.

Your Company has adopted a Dividend Distribution Policy line with Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI LODR"), which can be accessed at https://www.wabag.com/wp-content/uploads/2025/07/Dividend_Distribution_Policy.pdf

TRANSFER TO RESERVES

The Board of Directors has decided to retain the balance of profits in the profit and loss account. Consequently, the Company has not transferred any amount to the Reserves for the financial year ended March 31, 2026.

SHARE CAPITAL AND FINANCE

Equity Share Capital:

During the FY 2025-26, there were changes to the paid-up share capital of the Company pursuant to the exercise of stock options granted to the employees and the paid-up capital stands at INR 12,46,19,190/- (Indian Rupees Twelve Crores Forty-Six Lakhs Nineteen Thousand One Hundred and Ninety only) consisting of 6,23,09,595 (Six Crores Twenty-three Lakhs Nine Thousand Five Hundred and Ninety-Five) equity shares of face value of INR 2/- each.

Non-Convertible Debentures (NCDs):

During the FY 2023-24, the Company had allotted NCDs worth INR 1,000 Million consisting of 1,00,000 NCDs of face value of INR 10,000 each (Series 1) to Asian Development Bank (ADB) which is secured, unlisted, redeemable, transferable, rated and interest bearing. The proceeds raised through the issue of NCDs were utilised in accordance with the terms, conditions, and objects of the issuance and the Company has repaid approximately 39% of the principal amount as on the financial year ended March 31, 2026.

Banking arrangements:

Your Company continues to be robustly supported by a financial consortium comprising over fourteen (14) Banks and Financial Institutions for various banking and financing arrangements. Your Company has promptly met all its debt and payment obligations to its lenders.

CREDIT RATING

During the FY 2025-26, India Ratings & Research (a Fitch Group Company), credit rating agency of the Company, reaffirmed the credit ratings for the Company's borrowing arrangements i.e., Non-Convertible Debentures as 'IND AA-/Stable' and Bank Loan facilities as 'IND AA-/Stable/IND A1+'.

The complete rating disclosure along with the rationale are available on the websites of the Company, credit rating agency and the Stock Exchanges.

UNPAID / UNCLAIMED DIVIDEND AND SHARES

The Members may kindly note that the dividends if not claimed for a period of seven (7) years and the related shares on which such dividends have not been claimed by the Members for a period of seven (7) consecutive years are liable 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").

Your Company continues to send various communications and reminder letters through its Registrar to an Issue and Share Transfer Agent (RTA) from time to time to those specific Members whose dividends are unpaid / unclaimed and due for transfer to the IEPF. Your Company provides a dedicated facilitation and support system to enable its Members, to successfully claim their dividend entitlements and its corresponding shares prior to their transfer to the IEPF Authority in accordance with the IEPF Rules.

During the FY 2025-26, the Company has transferred a sum of INR 3,00,932/- being the unclaimed dividend for the FY 2017-18 pertaining to 878 Members, to the IEPF Authority in October 2025. Also, 5839 equity shares belonging to 161 Members, in respect of which dividends

had remained unpaid or unclaimed for seven (7) consecutive years, were also transferred to the IEPF Authority in November 2025.

With respect to the unclaimed dividends pertaining to the FY 2024-25, the Company regularly drives awareness among the Shareholders encouraging to claim their outstanding dividends in line with the guidelines issued by the IEPF authorities under its 'Saksham Niveshak' national campaign.

The details of the Members with unclaimed dividend entitlements and shares which are transferred or liable to be transferred to the IEPF Authority are uploaded on the website of the Company at www.wabag.com. Accordingly, the Members are requested to claim their unpaid or unclaimed dividends at the earliest to prevent such mandatory transfers. For any guidance or assistance in claiming the said entitlements, the Members may contact the Company or its RTA.

WABAG CENTENARY STOCK OPTION SCHEME

Commemorating a century-long legacy that began humbly in 1924, the **WABAG Group** celebrated its centenary milestone with pride and gratitude. To mark over 100 years of delivering sustainable water solutions, the Board of Directors of your Company, as per the recommendation of the Nomination and Remuneration Committee ('NRC') and with the approval of the Members had implemented a broad-based employee stock ownership program called the **WABAG Centenary Stock Option Scheme 2023** ("Scheme" or "ESOS 2023") as a strategic initiative to reward the employees for their dedicated service. The said ESOS 2023 aims to reinforce employees' commitment, acknowledge their dedication, and closely align their interests with the long-term success of the Company as it journeys beyond its Centenary year.

As WABAG actively executes diverse projects across its Group through a Global network bolstering its overall macro level growth trajectory, the Board of Directors of your Company, deemed it beneficial to extend the Scheme's benefits to the employees not only within the Company but also across its Subsidiary(ies), Associates, and its Group companies. This inclusive framework was designed to attract and retain key talents across its Group.

The Scheme comprises mega Grant for accomplishing Centenary year by the Company as well as periodic Grants as may be determined by the NRC from time to time. The eligibility criteria for selecting the employees for the Grants would be formulated by the NRC, based on various parameters such as length of service, grade, individual performance ratings over past few years, present contribution, potential contribution, conduct, etc. as it may deem relevant. Further, your Company is aware that to safeguard shareholder value, any pricing discount offered under the Scheme is balanced by mandatory performance-linked vesting conditions based on achievement of mandatory key corporate performance conditions such as revenue, earnings before interest, tax, depreciation and amortization, free cash flow, order book position, etc.

Accordingly, the Members of your Company at the 15th Extraordinary General Meeting (EGM) held on January 30, 2024 had approved the implementation of ESOS 2023 to create and grant, in one or more tranches, upto 25,00,000 (twenty-five lakhs) Stock Options exercisable into an equivalent number of fully paid-up equity shares of face value of INR 2/- (Indian Rupees Two only).

Subsequently, the NRC of the Company at their meeting held on March 21, 2024 had considered and approved the initial 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 ("SBEB Regulations").

The following are the details pursuant to the Companies (Share Capital and Debentures) Rules, 2014 with regard to ESOS 2023 for the financial year ended March 31, 2026:

- a. Options granted – 15,00,000 Stock Options
- b. Options vested – 6,00,000 Stock Options
- c. Options exercised – 1,19,167 Options
- d. Total number of shares arising as a result of exercise of option – 1,19,167 Equity Shares
- e. Options lapsed – 1,70,060 Stock Options
- f. Exercise price – INR 513/- per option
- g. Variation of terms of options - Nil
- h. Money realized by exercise of options – INR 6,11,32,671/-
- i. Total number of options in force - 25,00,000 Stock options
- j. Employee wise details of options granted to:
 - i. Key Managerial Personnel (KMP) - All the KMPs 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 of your Company confirms that no material change has been made to the Scheme as of the date of this report and that it remains in full compliance with the applicable provisions of the SBEB Regulations.

The Secretarial Auditors have also certified that the Scheme complies with the SBEB Regulations and that your Company has adhered to all the applicable provisions of the Companies Act, 2013.

The statutory disclosures pursuant to Regulation 14 of the SBEB Regulations are hosted on the Company's website at <https://www.wabag.com/investor-communications/>.

DEPOSITORY SYSTEM

As of March 31, 2026, the total paid-up capital consisting of 6,23,09,595 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), managed through the RTA of the Company.

As on the date of this report, only 111 equity shares (0.01%) are held in physical mode by three (3) Members. The Company continuously engages with these shareholders by sending communications to build awareness around the benefits of holding shares electronically and to achieve 100% dematerialised shareholding. The Members are also reminded that the Company's shares can only be traded in electronic mode.

REGISTRAR TO AN ISSUE AND SHARE TRANSFER AGENT (RTA)

Cameo Corporate Services Limited, Chennai, a leading Category I Registrar and Share Transfer Agent registered vide SEBI registration no: INR000003753, an ISO / IEC 27001:2013 certified Company is the RTA for the equity shares of the Company.

Integrated Registry Management Services Private Limited, Chennai registered vide SEBI registration no: INR000000544 is the RTA appointed for the Non-Convertible Debentures issued to the Asian Development Bank (ADB).

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis report highlighting your Company's performance is enclosed as a separate section forming part of this Annual Report.

CORPORATE GOVERNANCE

At WABAG, Corporate Governance is fundamental to our business and core to its existence. Your Company is committed to the highest standards of Ethics and Governance. Your Company continues to implement several best Corporate Governance practices to enhance the long-term Shareholders value and respects Shareholders rights in all its strategic decisions. Your Company ensures complete transparency across its business cycle, emphasizing strong corporate ethics and the timely dissemination of information to all Stakeholders.

The Report on Corporate Governance for the financial year ended March 31, 2026 pursuant to Regulation 34 of the SEBI LODR, is presented as a separate section of this Annual Report. A certificate from the Practicing Company Secretary, validating the Company's compliance with all the prescribed Corporate Governance Standards, also forms part of this Annual Report. A Compliance Report covering the relevant SEBI Circulars, Notifications, and Regulations etc., issued by the Practicing Company Secretary is filed with the Stock Exchanges.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORTING

As one of the top 1000 listed entities by market capitalization, your Company has actively integrated the Business Responsibility and Sustainability framework as part of its operations embedding Environmental, Social and Governance (ESG) parameters into its business model since the FY 2022-23.

The Business Responsibility and Sustainability Report (BRSR), provides quantitative and standardized disclosures on ESG parameters enabling seamless comparison across the companies, sectors and timelines. This framework assists the investors in making well-informed investment decision regarding the listed entities. Accordingly, a separate BRSR is enclosed, forming part of this Annual Report.

CORPORATE POLICIES

The Board of Directors of your Company has established various statutory policies, codes as prescribed under the Act and the SEBI Regulations, from time to time. To ensure ongoing alignment with regulatory developments, your Board and its Committee regularly review and update these in accordance with the amendments to the Act and the SEBI Regulations.

The core policies adopted by your Company are detailed in the Corporate Governance Report section of this Annual Report.

The aforesaid policies can be viewed under "Overview" section on your Company's website at <https://www.wabag.com/investors/>. Other internal policies adopted by your Company are accessible to the employees via intranet portal of your Company.

BOARD OF DIRECTORS

WABAG functions under the overall strategic supervision and guidance of a professional Board consisting of six (6) Directors. The Board maintains a balanced composition with three (3) Independent Directors including a Woman Independent Director, one (1) Non - Executive Non - Independent Director and two (2) Executive Directors. During the FY 2025-26 and up to the date of this report, there has been no change in the composition of the Board of Directors.

EXECUTIVE DIRECTORS

Mr. Rajiv Mittal, Chairman and Managing Director and Mr. S. Varadarajan, Whole Time Director & Chief Growth Officer (CGO) serve as the Executive Directors and also the Promoters of the Company.

NON-EXECUTIVE DIRECTORS

INDEPENDENT DIRECTORS

Mrs. Vijaya Sampath, Mr. Milin Mehta and Mr. Ranjit Singh are the Independent Directors of your Company for the year under review.

DECLARATION OF INDEPENDENCE BY THE INDEPENDENT DIRECTORS

The Independent Directors of your Company have confirmed that they continue to meet the "Independence criteria" laid down under the Section 149(6) of the Act and Regulation 16(1)(b) of SEBI LODR. Further, they continue to maintain their directorship within the maximum prescribed limits under the SEBI LODR. The Independent Directors have also submitted the necessary declarations and disclosures to the Company in this regard.

NON-EXECUTIVE NON-INDEPENDENT DIRECTOR

Mr. Amit Goela is the Non-Executive and Non-Independent Director of your Company.

RETIREMENT OF DIRECTOR BY ROTATION

Mr. S. Varadarajan (DIN:02353065), Whole Time Director & Chief Growth Officer, retires by rotation at the ensuing 31st Annual General Meeting (AGM) pursuant to the provisions of Section 152 of the Act read with the rules issued thereunder. Being eligible, Mr. S. Varadarajan offers himself for re-appointment and the Board of Directors recommends his re-appointment. A brief profile of Mr. S. Varadarajan is included in the notice convening the 31st AGM of the Company.

APPOINTMENT OF THE DIRECTORS

The Nomination, Evaluation & Remuneration Policy of your Company sets the criteria for a Director's qualifications, positive attributes and independence, pursuant to Section 134(3)(e) and 178(3) of the Act. Based on these guidelines, the Nomination and Remuneration Committee (NRC) oversees the selection and appointment process of Directors of your Company. In accordance with the provisions of the Act and SEBI LODR, the NRC based on the criteria formulated makes necessary recommendation to the Board for the appointment of the Directors of your Company.

In addition, based on the performance evaluation of the Board, the NRC periodically recommends to the re-appointment / continuation of the term of office of the Independent Directors and other Board members.

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

During the FY 2025-26 and till the date of this report, there were no new appointment of the Independent Directors to the Board. With respect to the proficiency of the Independent Directors, ascertained from the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs (IICA), as prescribed under Section 150(1) of the Act, the Board of Directors has taken on record the necessary declarations submitted by the Independent Directors confirming compliance within the prescribed requirements.

KEY MANAGERIAL PERSONNEL (KMP)

The Key Managerial Personnel (KMP) of your Company appointed pursuant to the provisions of Section 203 of the Act, who holds office as on the financial year ended March 31, 2026 are as follows:

- a. Mr. Rajiv Mittal, Chairman and Managing Director;
- b. Mr. S. Varadarajan, Whole time Director and Chief Growth Officer;
- c. Mr. Skandaprasad Seetharaman, Chief Financial Officer;
- d. Mr. Shailesh Kumar, CEO - India Cluster;
- e. Mr. V. Arulmozhi, CFO - India Cluster;
- f. Mr. Anup Kumar Samal - Company Secretary and Compliance Officer.

In addition to above, as on the date of this report, the Board of Directors on the recommendations of the NRC, has approved the following appointments effective from May 21, 2026:

- i) Mr. Bhupesh Chowdary Nagineni - Key Managerial Personnel & Senior Management Personnel, in the capacity of the Deputy Managing Director of the Company; and
- ii) Mr. Rohan Mittal - Key Managerial Personnel & Senior Management Personnel of the Company, in the capacity of Head - Strategy & Business Growth - GCC.

BOARD DIVERSITY

Your Company recognizes Board diversity as a critical catalyst for its sustainable growth and long term success. We firmly believe that a diverse Board will ensure effective corporate governance, enhances responsible decision-making ability, accelerates sustainable business development and safeguards the Company's institutional reputation.

The Company's approach to Board diversity encompasses a broad spectrum of attributes, including diversity of thoughts, knowledge, skills, regional and industry experience, cultural and geographical background, perspective, gender, age, ethnicity and race. Framed in alignment with applicable statutory regulations and our specific business requirements of the Company, this framework is institutionalized and overseen by the Nomination and Remuneration Committee of the Board, from time to time.

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

To ensure the highest standards of institutional governance, the Nomination and Remuneration Committee (NRC) and the Board of Directors of your Company follows a structured methodology for annual performance evaluation of the Board, Committees, Individual Directors and the Chairman, in accordance with the provisions of the Act and SEBI LODR.

During the year under review, the formal annual performance evaluation of the Board, its Committees, Individual Directors and also the Chairman

was successfully concluded. A digital assessment was carried out by 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 compliance with Governance.

For the FY 2025-26, the Independent Directors and other Directors of your Company comprehensively reviewed the performances of the Board, its Committees, individual Directors and the Chairman at their meeting held on May 21, 2026. Further, the NRC of the Board carried out a separate evaluation of each Director's performance. The report on Corporate Governance covers the details of the Board evaluation process and other requisite information, forming part of this Annual Report.

FAMILIARISATION PROGRAMME

As part of the familiarisation programme, the Company conducts various programs, interactive sessions and seminars to keep the Directors updated with various aspects covering the industry and regulatory dynamics, business processes, procedures, as applicable for its business, presentations on the long-term business strategies, risks, opportunities, quarterly operational and financial performances of the Company, etc.

At the time of induction, a formal letter of appointment was issued to the Directors outlining their roles, functions, duties and responsibilities and performance expectations of the Board. To ensure they possess a deeper understanding of the business, its operations, and industry dynamics, the Company provides the Directors with full access to all relevant information and corporate documents, alongside regular opportunities to interact with Key Managerial Personnel and Senior Management.

The complete details of the familiarization programme are disclosed in the Corporate Governance report and are available on the Company's website at <https://www.wabag.com/investor-communications/>.

BOARD & COMMITTEES

The Board of Directors of your Company comprises the following members as of March 31, 2026:

1. Mr. Rajiv Mittal, Chairman and Managing Director;
2. Mr. S. Varadarajan, Whole Time Director & Chief Growth Officer;
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 continuous to uphold the highest standards of the Corporate Governance practices and operates in strict compliance with the letter and spirit of all the relevant provisions of applicable laws and statutes.

As on March 31, 2026, the Board of Directors has constituted the following key Committees to ensure effective oversight and governance:

- a) **Audit Committee** serves as a critical interface connecting the statutory auditors 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, monitoring risk governance alongside the Company's statutory and internal audit frameworks. The Board systematically reviews and acts upon all the recommendations made by the Audit Committee. Detailed composition of the Audit Committee is disclosed in the Report on Corporate Governance, which forms an integral part of this Annual Report.
- b) **Stakeholders Relationship Committee** *inter-alia*, oversees and resolve grievances relating to the security holders of the Company.
- c) **Nomination and Remuneration Committee** is constituted with a wider terms of reference as per the statutory requirements of the Companies Act, 2013, and SEBI (LODR) Regulations, 2015.
- d) **Risk Management and Monitoring Committee** is constituted *inter-alia* to review and monitor the various projects of the Company and systematically evaluate operational and strategic business risks and ensure the deployment of appropriate robust risk-mitigation frameworks in a time bound manner.
- e) **Corporate Social Responsibility Committee**, *inter-alia*, identifying and undertaking strategic CSR activities, monitoring and reporting framework to oversee effective utilization of funds allocated for the CSR activities.
- f) **Capital Allocation Committee** *inter-alia*, to scrutinize, evaluate and approve all new investment proposals and funding enhancement by the Company in establishing branches, subsidiaries, joint ventures, both in India and overseas. For detailed disclosures regarding the Company's Overseas Direct Investments (ODI), financial statements section of the Annual Report for investment made by Company may be referred.
- g) **Sustainability Committee** *inter-alia*, provides strategic advise on implementation of Environment, Social and Governance (ESG) frameworks, monitoring ESG ratings, evaluating ESG led investment opportunities to drive long-term sustainable value, etc.

The Chairperson of respective Committees convenes the meetings of the Committees. To ensure robust oversight, the Board is regularly apprised of the key discussions and outcomes of these meetings, facilitating comprehensive review and necessary action, wherever required.

In compliance with the Secretarial Standards -1 issued by the Institute of Company Secretaries of India (ICSI), the draft minutes of the meetings

of the Committees and the Board are promptly circulated to all the Members of the Committees / Directors for their comments, if any. Upon incorporation of feedback, the approved minutes are formally certified and signed minutes are shared with the Board and respective Committees and are also duly tabled at their subsequent meeting of the Board and Committees.

To facilitate optimum attendance and engagement, the annual calendar of the Board and Committee meetings are approved by the Board before the commencement of every financial year to enable the Directors to align their schedule well in advance, ensuring robust participation in all the meetings.

During the FY 2025-26, the Board of Directors of your Company met five (5) times on May 21, 2025, August 12, 2025, November 07, 2025, February 04, 2026 and March 27, 2026. These meetings were conducted through a combination of physical and Video Conferencing / Other Audio Visual Means (OAVM). The comprehensive details regarding composition of the Board, attendance of the Directors and other relevant information are set out in the Report on Corporate Governance, which forms part of this Annual Report.

DIRECTORS RESPONSIBILITY STATEMENT

In accordance with Section 134(5) of the Act, the Board of Directors of your Company to the best of its knowledge and belief and relying on the information and explanations obtained, provides 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 the 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 THE DIRECTORS

The Board of Directors of your Company had adopted the Nomination, Evaluation & Remuneration policy based on various evaluation criteria determined by the NRC in line with the applicable regulatory standards. The policy focuses on two primary goals viz. (i) to regularly assess the effectiveness of the Board as a whole, the Committees of the Board and Individual Directors; and (ii) creating a framework to attract, motivate and retain the executive talents and other experts required to achieve our strategic and operational long-term objectives.

In compliance with the applicable provisions of the Act and SEBI LODR, the Board of Directors of your Company on the recommendation of the NRC had adopted following policies and frameworks as part of the Nomination, Evaluation & Remuneration Policy:

- (A) Board Nomination Policy;
- (B) Board Evaluation Policy;
- (C) Board Diversity Policy;
- (D) Remuneration Policy:
 - (i) Policy related to Remuneration for the Executive Directors, Key Managerial Personnel and Senior Management Personnel;
 - (ii) Policy related to Remuneration for the Non-Executive Directors / Independent Directors.

The Nomination, Evaluation & Remuneration policy of your Company is accessible on the website of the Company at www.wabag.com/investors/. The statutory disclosures on the Director's Commission and other information as required under Section 178(3) of the Act are available in the Report on Corporate Governance forming part of this Annual Report. The overall remuneration paid to the Board of Directors and Managerial Personnel remains within the statutory thresholds as governed under the provisions of Section 197 of the Act and Rules made thereunder.

REMUNERATION OF THE EXECUTIVE DIRECTORS

The remuneration structure of the Executive Directors comprises both fixed and performance linked variable components which is based on mutually agreed KPI (Key Performance Index) and KRA (Key Results Area). The NRC conducts an annual appraisal of each Executive Director's performance. Based on the comprehensive evaluation, the NRC recommends the appropriate compensation to the Board for their approval, within the overall parameters approved by the Members.

REMUNERATION OF THE NON-EXECUTIVE DIRECTORS

The Non-Executive Directors receive remuneration in the form of commission, which remains within the statutory limits prescribed under the Act and duly approved by the Members. The Board may differentiate remuneration for different Directors based on their specific

role, responsibilities, duties, time commitments, etc. The Company has no other material financial or pecuniary relationship with any of the Non-Executive Directors except for the commissions paid.

REMUNERATION OF THE KMP / SENIOR MANAGEMENT / OTHER EMPLOYEES

The remuneration of the Key Managerial Personnel (excluding the Executive Directors) and any subsequent revisions thereof, are approved by the Board based on the recommendations of the NRC in accordance with the Nomination, Evaluation & Remuneration Policy as well as the internal guidelines of the Company.

The Chairman & Managing Director (CMD) and the Whole Time Director & Chief Growth Officer (CGO) conduct the overall annual performance evaluation of the senior management and other employees and apprise to the Nomination and Remuneration Committee and the Board of the outcomes. Based on the overall achievements of the agreed KPI and KRA, the employee remuneration and subsequent salary revisions are determined.

POLICY ON PRESERVATION & ARCHIVAL OF DOCUMENTS

Pursuant to Regulation 9 and 30(8) of the SEBI LODR, your Company has established a Policy on "Preservation & Archival of the Documents" which is hosted on its website at www.wabag.com/investors/. The framework defines clear comprehensive guidelines for the retention of records, preservation timelines of various documents, archival, safe disposal / destruction of the documents. The policy *inter-alia* guides the employees in handling the documents efficiently for both physical and electronic form.

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, the required disclosures regarding the remuneration of the Directors, the KMP and other employees, are enclosed as **Annexure-I** to this Board's Report.

The information prescribed under Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including amendments thereof), is disclosed in the Annexure forming part of this Report. In terms of the first proviso to Section 136(1) of the Companies Act, 2013, the Report and Accounts are being circulated to the Members excluding the aforesaid Annexure. Members desiring a copy of this statement may address their request to the Company Secretary at the Registered Office of the Company.

INDUSTRIAL RELATIONS

Your Company continues to maintain a healthy, cordial and harmonious industrial relations across the levels with its Stakeholders. The shared enthusiasm and unstinted efforts of its workforce have anchored the Company's leadership position within the industry. The Company

remains committed in implementing progressive measures to optimize productivity and operational efficiency across the organization.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company has implemented a Policy on Prevention of Sexual Harassment in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder ("POSH"). Your Company feels proud on maintaining an inclusive, non-discriminatory, and safe work environment where equal opportunities are provided to all the employees. The said POSH framework ensures that every employee can perform their duties in a secure, respectful, and supportive ecosystem.

Your Company's Internal Complaints Committee under POSH comprises six (6) Members, out of which four (4) are women members including one (1) external woman representative. All the employees viz. permanent, consultant, contractual, temporary and trainees are covered under the said policy.

During the year, the Company had received one (1) complaint regarding sexual harassment which was resolved after due enquiry. There is no case pending for more than ninety (90) days. An Annual Report comprising details of the complaints received, disposed of and pending at the end of the calendar year i.e. December 31, 2025 was duly submitted to the authorities by the Internal Complaint Committee, in accordance with the Section 21 of POSH Act.

AUDITORS

A. Statutory Auditors

The Members of the Company at the 28th AGM held on August 11, 2023 had approved the re-appointment of 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 convened during the calendar year 2028.

The Statutory Auditors of the Company have submitted Independent Auditors' Reports for financial year ended March 31, 2026 forming part of this Annual Report. The Auditors' Report on both the Standalone and Consolidated Financial Statements of the Company contains an unmodified opinion and does not feature any qualification, reservation or adverse remark.

B. Cost Auditor

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 2025-26, in accordance with the provisions of Section 148(1) of the Act. The audit of cost records is in progress and report by the Cost Auditor

will be submitted to the authorities within the prescribed time. A resolution seeking ratification of the Cost Auditors' remuneration for the FY 2025-26 will be presented to the Members of the Company at the AGM. The Company duly maintains all the required cost records in accordance with the Section 148(1) of the Act.

C. Secretarial Auditors

M/s. M. Damodaran & Associates LLP, Practicing Company Secretaries, Chennai were appointed as the Secretarial Auditors of the Company by the Members of the Company at the 30th AGM held on August 12, 2025, for a consecutive term of five (5) years commencing from the FY 2025-26 till the FY 2029-30, based on recommendations of the Board of Directors, at such remuneration and out-of-pocket expenses, if any as mutually agreed and other terms and conditions as may be determined by the Board of Directors (including its Committees thereof), and to avail any other services, certificates, or reports as may be permissible under the applicable laws. The Secretarial Audit Report for the FY 2025-26 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.

D. Internal Auditors

M/s PKF Sridhar & Santhanam LLP, Chartered Accountants, Chennai, (Firm Regn. No - 003990S/ S200018) (external firm) and the Corporate Assurance Department of the Company (internal function) were appointed as the joint Internal Auditors of the Company to conduct the Internal Audits for the FY 2025-26. Your Company maintains a comprehensive Internal Audit function comprising both the Internal Audit functions aiming to provide an independent and objective assurance services with a view to add value and improve efficiency of business operations.

The Internal Auditors report directly to the Audit Committee delivering comprehensive presentations on audit findings across the business. The detailed observations are discussed at the Audit Committee meetings regularly on the Internal Audit Reports covering the business and operations as required by the Audit Committee, in line with the agreed internal audit plan for each financial year.

During the FY 2025-26, none of the Company's Auditors have reported any instance of 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

During the financial year ended March 31, 2026, the Board of Directors of your Company considered and approved following key decisions with respect to Subsidiaries, Joint Ventures and Associate entities:

GHAZIABAD BIOENERGY PRIVATE LIMITED, Subsidiary Company

WABAG had successfully received the Letter of Acceptance dated October 27, 2025 from GHAZIABAD NAGAR NIGAM for the purchase of Bio-Gas coming out from 70 MLD Sewerage Treatment Plant ('STP') at Dundaheda, Uttar Pradesh for setting-up a Bio-Gas Upgradation Unit for Compressed Bio-Gas ('CBG') production under Build-Operate-Transfer ('BOT') Model on Public-Private Partnership ('PPP') basis. Accordingly, GHAZIABAD BIOENERGY PRIVATE LIMITED, a new Subsidiary Company was incorporated with the Registrar of Companies, Chennai, India as a joint venture company (JVC) between WABAG and PEAK SUSTAINABILITY PARTNERS LLP ("PEAK") on February 16, 2026 to execute the said project. This Company has an initial paid-up capital of INR 1,00,000/- (Indian Rupees One Lakh) comprises of 10,000 (Ten Thousand) Equity Shares of INR 10/- (Indian Rupees Ten) each, held in the ratio of 51:49 by WABAG and PEAK respectively and the entity is yet to commence its business operations and the turnover is nil.

NORTH CHENNAI TRU WATER PRIVATE LIMITED, Wholly Owned Subsidiary Company

A Request for Proposal was floated by CHENNAI METROPOLITAN WATER SUPPLY AND SEWERAGE BOARD ("CMWSSB") to refurbish, finance, operate, maintain and transfer (RFOMT) of 45 MLD Tertiary Treatment Reverse Osmosis (TTRO) Plant at Kodungaiyur, Chennai, Tamil Nadu through public private partnership mode for a period of twenty (20) years. WABAG had successfully received the Letter of Award dated March 11, 2026, from CMWSSB. Accordingly, NORTH CHENNAI TRU WATER PRIVATE LIMITED, a Wholly Owned Subsidiary (WOS) Company was incorporated with the Registrar of Companies, Chennai, India on April 01, 2026 by WABAG to execute the said project. The WOS has an initial paid-up capital of INR 1,00,000/- (Indian Rupees One Lakh), comprises of 10,000 (Ten Thousand) Equity Shares of INR 10/- (Indian Rupees Ten) each) and the WOS is yet to commence its business operations.

Your Company has 19 Subsidiaries, Associates and Joint Venture entities worldwide as on date of this report. Pursuant to Section 129(3) of the Act and the rules made thereunder, a statement containing the salient features of the Financial Statement of your Company's subsidiaries in the prescribed format Form AOC-1 is enclosed as **Annexure-III** to the Board's Report. Please refer Key Project Updates section of the Board's Report for more details.

MATERIAL SUBSIDIARIES

The Board of Directors has framed a policy for "Determining Material Subsidiaries" in accordance with the SEBI LODR. The policy is accessible on your Company's website at www.wabag.com. Pursuant to the provisions of the SEBI LODR and the criteria set out in the said Policy for Determining Material Subsidiaries, the 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, 2026 have been prepared in compliance with the applicable provisions of the Act, including Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. These audited consolidated financial statements along with the Independent Auditors' Report 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. The Company shall provide a copy of these financial statements to the Members upon their request. The statements are also available on the website of your Company at www.wabag.com.

RELATED PARTY TRANSACTIONS

All the transactions with the Related Parties during the year were in the ordinary course of business and at arm's length basis and in compliance with the provisions of the Act and the SEBI LODR. The Company did not enter into any materially significant Related Party Transactions with the Promoters, the Directors, the Key Managerial Personnel, Senior Management or other designated persons which may have a potential conflict with the interest of the Company and Shareholders. A detailed breakdown of these transactions is available in the notes to the Financial Statements.

All the Related Party Transactions were placed before the Audit Committee for their review, consideration and approval or recommendation and were subsequently placed before the Board for necessary approvals or noting. The Policy on Materiality of Related Party Transactions and on dealing with Related Party Transactions can be accessed on the Company's website at www.wabag.com/investors/.

The details 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

To drive its global expansion, your Company has consistently utilized Overseas Direct Investments (ODI) frameworks to establish international Subsidiaries, Associates, and Joint Venture entities. Global project delivery is supported by a network of foreign branches, project management offices and other Permanent Establishment (PE) structures.

During the financial year ended March 31, 2026, no new capital allocations were made in ODI entities and the total equity investment in Group entities stood at INR 654 Million, which comprises of equity investments of INR 605 Million and guarantees extended to group entities amounting to INR 49 Million.

Further, no new guarantees or loans were extended to the group entities during the year under review, reflecting the financial stability of your Company's overseas entities. Outstanding Corporate guarantees

executed for the group entities were successfully closed upon completion of projects as per the contractual obligations. Also, no new loans were granted to its ODI entities during the financial year, reflecting the financial stability of the overseas entities of your Company.

The Group's extensive international presence has further accelerated advanced Research & Development (R&D) initiatives across India and Europe. This collaborative ecosystem has generated over 125 Intellectual Property (IP) Rights which are leveraged across the Group's business operations to deliver best in class customised and innovative technological solutions to your Company's customers at competitive cost.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The CSR Committee is responsible for formulating, implementing and monitoring the CSR policy of the Company. Pursuant to Section 135(4) of the Companies Act, 2013, the CSR policy's core frameworks encompasses the Company's strategic CSR approach and guiding principles, core Ideology. It also governs the total outlay for each financial year, allocation of resources across identified thrust areas, formulation of annual action plan, selection of executing agency/ partners and its Impact Assessment.

The CSR policy is available on the Company's website in the following link: <https://www.wabag.com/wp-content/uploads/2025/07/CSR-Policy.pdf>. In terms of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended ("CSR Rules") and in accordance with CSR Policy and 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 towards 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 2025-26 pertaining to ongoing projects which has to be transferred to a separate bank account on or by April 30, 2026.

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

- a) Apprenticeship Training Programme, a project implemented under the Industry Partnership Model under the Apprenticeship Act – classified as other than On-going Project.

The details of the aforesaid project regarding the implementation and outcome of this project are detailed in the annual report on CSR activities forming part of this Board's Report.

The CSR Committee of the Board continuously reviews the projects and provides strategic directions to expedite implementation of the projects undertaken. The Committee maintains a strong focus on skill development CSR initiatives specifically through structured training and development programs. These programs are designed to enrich

the knowledge, technical skill sets, communication abilities, practical on the job training facilities, improving overall efficiency, performance level and employability of both technical and non-technical beneficiaries viz., diploma holders, graduates and other eligible persons.

Core Ideology: At WABAG, responsible business practices are foundation to its business and operations. Your Company is dedicated to maintaining integrity across its processes and fostering meaningful relationships with its employees, customers and the community. For the Company, Corporate Social Responsibility extends far beyond mere regulatory compliances, it is an active commitment to creating sustainable social and environmental values. By aligning these initiatives with its business objectives, the Company optimizes operational efficiencies while simultaneously deepening trust with its key Stakeholders and Customers.

Your Company's commitment to CSR is demonstrated through the strategic allocation of resources across 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.

CSR ACTIVITIES OF THE GROUP

DK SEWAGE PROJECT PRIVATE LIMITED, a group company implementing wastewater treatment projects at Digha & Kankarbagh for the Bihar Urban Infrastructure Development Corporation (BUIDCO) under the National Mission for Clean Ganga with financial assistance from World Bank, had actively supported local social welfare initiatives as its CSR activities around its projects locations during the FY 2025-26 by contributing INR 4.32 Lakhs, benefitting and uplifting the local community.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees and investments, as of March 31, 2026, are provided in the notes accompanying the financial statements of the Company in accordance with the provisions of Section 186 of the Act and Schedule V of the SEBI LODR.

INTERNAL CONTROL SYSTEMS, AUDIT AND ADEQUACY

Your Company has established a comprehensive internal control frameworks designed to systematically mitigate the operational, financial, and compliance risks. Within the controlled environment, structured policies, standard operating procedures and standards are benchmarks are enforced to maintain discipline across the organisation. The existing internal control systems are robust and commensurate with the current scale, complexity, and dynamic nature of the Company's business operations. These internal controls are strategically engineered to provide reasonable assurance regarding:

1. Achieving strategic business objectives;
2. Ensuring the efficiency and effectiveness of business operations;
3. Prevention and detection of frauds, leakage, and operational errors;
4. Safeguarding its assets and resources;
5. Complying with applicable statutory laws and regulatory frameworks; and
6. Providing reliable, accurate and timely financial information.

Your Company maintains a robust internal audit function, spearheaded by industry veterans and process experts. The Audit Committee of the Board periodically evaluates the audit functions ensuring that key findings are addressed with immediate corrective action. The key operational and financial issues are routinely assessed, with improvements integrated systematically to enhance data reliability. The Company leverages its global Enterprise Resource Planning (ERP) platform to continuously align the workflow, processes and controls mechanisms with the evolving industry practices.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In line with the provisions of the Companies Act, 2013, the Company places significant emphasis on maintaining an adequate and robust Internal Financial Control (IFC) frameworks. The details of the system and its operational effectiveness are as under:

1. The internal financial controls commensurate with the size, scale and complexity of the Company's operations;
2. The Audit Committee of the Board periodically reviews the internal audit plans and provides observations and recommendations to the Internal Auditors and Statutory Auditors;
3. The controls were tested during the year with no reportable material weaknesses observed;
4. Your Company is continuously automating these controls to enhance its reliability and operational efficiency;

5. Your Company adopts and adheres to accounting policies that aligns with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015. These policies are in accordance with the 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 data integrity, operational efficiency and complete reliability of the financial reporting;
7. Your Company utilises an integrated cross functional budgeting framework. The budgets are reviewed on a monthly basis to analyse the operational performance, enabling management to implement timely corrective actions, wherever required;
8. Overseas subsidiaries provide the necessary financial data for consolidation of accounts in the format prescribed by the Company, accompanied by the certification from the statutory auditors of the respective entities.

RISK MANAGEMENT

Your Board has constituted a dedicated "Risk Management and Monitoring Committee" to review risks trends, exposure, potential impact analysis and mitigation plans. The Committee comprises four (4) Directors out of which two (2) are Independent Directors and two (2) are Executive Directors. Comprehensive details regarding the 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 was honoured with several prestigious awards and accolades from prominent industry bodies, reputed organizations and clients for its achievements in sustainable engineering solutions, project executions, etc. Please refer to dedicated section of this Annual Report for the details of the rewards and recognition achieved during the FY 2025-26.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS, COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

No significant or material orders were passed by any regulators, courts or tribunals during the year under review that would impact the Company's going concern status and its future operations.

INSOLVENCY AND BANKRUPTCY CODE, 2016

No Corporate Insolvency Resolution Process has been initiated against the Company under the Insolvency and Bankruptcy Code, 2016 (IBC) during the year under review.

OTHER DISCLOSURES

(a) Deposits:

Your Company did not accept any public 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.

(b) Contracts or Arrangements with the Related Parties:

The disclosures of contracts or arrangements entered into with the related parties under Section 188(1) of the Act, is enclosed in Form AOC-2 as **Annexure - V** to the Board's Report.

(c) One-time settlement

There was no instance of any one-time settlement with any bank(s) or financial institution(s) during the year under review.

(d) Annual Return

A copy of the annual return of the Company for the FY 2025-26 pursuant to the provisions of Section 134(3)(a) read with Section 92(3) of the Act is hosted on the Company's website at: <https://www.wabag.com/investor-communications/>.

(e) Secretarial Standards

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

(f) Conservation of Energy

The details 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, are enclosed as **Annexure - VI** to this Board's Report.

(g) Differential Rights

Your Company has not issued any sweat equity shares or equity shares with differential rights regarding dividends, voting rights or otherwise, during the year under review.

(h) 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.

(i) Maternity Benefits

The Company is in compliance with the applicable provisions relating to maternity benefits as prescribed under the Maternity Benefit Act, 1961 / the Code on Social Security, 2020.

QUALITY, HEALTH, SAFETY AND ENVIRONMENTAL PROTECTION (QHSE)

Your Company is committed to provide a safe, healthy and conducive environment for all of its employees and associates ensuring strict compliances with all the applicable labour laws. Comprehensive details on the Company's quality, health, safety, environmental initiatives, objectives and achievements made by the Company are detailed in the other sections of this Annual Report.

SUSTAINABILITY INITIATIVES

At WABAG, sustainability is embedded in the Company's purpose of creating a world of sustainable water solutions. The Company's business inherently contributes to environmental stewardship by delivering innovative solutions for water treatment, wastewater management, water reuse, desalination, and resource recovery, enabling communities and industries to address growing water and climate challenges. Guided by its commitment to responsible growth and sustainable development, WABAG integrates Environmental, Social and Governance (ESG) principles across its operations and value chain. Through its projects, technologies, and operational practices, the Company advances water security, resource efficiency, climate resilience, and ecosystem protection, creating long-term value for stakeholders while contributing to a better sustainable future.

Sustainability is the core principle driving your Company's business. Globally, your Company is actively engaged in developing and delivering eco-friendly, sustainable solutions engineered for the future. As demonstrated throughout this report, your Company's contribution and commitment to sustainability are deeply pro-nature and forms an integral component of our core business strategy.

As part of WABAG's supplier engagement and capacity-building efforts, your Company organized various ESG awareness and training programs for its supply chain partners, strengthening sustainability integration and promoting responsible business practices. A detailed account of the Company's sustainability performance, initiatives, and ESG disclosures are provided in the Business Responsibility and Sustainability Report (BRSR), which forms an integral part of this Annual Report.

WHISTLE BLOWER POLICY / VIGIL MECHANISM

Your Company has established a Whistle Blower Policy and Vigil Mechanism, providing a secure platform for its Directors, Employees, Business Associates and other Stakeholders to report genuine concerns about unethical practices, actual or suspected fraud, and violation of the Code of Conduct. This mechanism ensures complete protection against retaliation and operates through a dedicated, confidential e-mail channel.

Any Director or employee who becomes aware of an unethical behaviour, fraud or violation of code of conduct may report the matter to the Ethics Committee for redressal, as prescribed in the policy. The Audit Committee of the Board oversees the implementation and functioning of this mechanism. The said policy is hosted on the website of the Company at 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:

- 1. Green Initiatives begin at home:** 100% of the total power requirement of our headquarters in Chennai is derived from hybrid (Solar and Wind) renewable energy, thereby bringing down energy cost by over 27% as well as becoming a part of green energy compliant corporate. As we have moved to Hybrid renewable energy from April 2025 and having received 100% renewable energy for FY 2025-26, WABAG House is formally qualified to become Net Zero in Energy and necessary documentation work is in progress to obtain CII-IGBC Certification in this regard. WABAG is already certified as Near Net Zero in Energy and the certification of Net Zero in Energy in the coming months will demonstrate again our continued commitment to sustainability.

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 Re-Certified as Platinum rated Green building during September 2024.

1. WABAG House has won CII-SR Sustainability Award in two categories, namely Energy Efficiency & Renewal Energy and Net Zero in Water / Water Positive, recognizing strong sustainability performance and environmental stewardship, against stiff competition with over 80 Corporates / Industries.
2. WABAG House has received notable recognition from CII-IGBC for the 'Best Performing Green Building Excellence Award 2025' and 'Best Workplace Award for Health & Wellbeing', re-affirming our continued commitment to sustainability, workplace standards and best in class administrative practices.
3. WABAG House has been awarded with CII-IGBC Platinum Employee Health & Wellbeing Certification, by Chairman of CII-IGBC (Chennai Chapter) during August 2025.
4. WABAG received Platinum Certification and an Appreciation Award from AROGYA World for Healthy Workplace.
5. For FY 2025-26, the Company has recycled 4,111 Kgs of used / unwanted papers, thereby saved 71 well grown trees.
6. Consecutively for the third year, WABAG has been awarded with Most Preferred Workplace 2025 by Team Marksman, supported by India Today and Business Standard, at a function held at Mumbai on June 27, 2025.

Other initiatives taken 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 are being disposed for recycling through Pollution Control Board (PCB), an 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;
- Food wastes are converted into natural manure by implementing in-house compost pit management system; being used for in-house plants;
- Reduced the use of plastics and paper cups. Introduced customized glass water bottles, glass & porcelain water and coffee mugs across Head Office (WABAG House) and Regional Offices;
- Renovated and recharged rain water harvesting systems percolation capacity at WABAG House and thereby achieved more than 2.7X times of water used in the building is returned to earth through rain water;
- E-Tender process for sourcing materials in the Company's procurement function as a step towards digitization;
- All internal memos / approval notes are automated through system instead of conventional memo / approval notes in the form of papers and attachments.

- 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 the 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 the General Meetings (both Annual General Meeting and Extraordinary General Meeting) 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

Your Company believes that sustainable growth is best achieved when resources are continuously conserved, recovered, and reused. Inspired by nature's own circular systems, your Company has embedded resource recovery-based circular economy principles across its water and wastewater solutions, transforming conventional treatment infrastructure into engines of sustainability and value creation.

Moving beyond the traditional linear model of treatment and disposal, your Company's approach focuses on recovering every possible resource from wastewater streams. Through advanced treatment technologies, treated used water is converted into reliable alternate water sources under the concept of Manufactured Water, sludge is transformed into renewable energy and useful by-products, and plant operations are optimized for energy efficiency and long-term resilience.

Your Company also serves as a decarbonisation partner to its customers by enabling low-carbon, resource-efficient water systems that reduce freshwater dependency, lower emissions, improve energy performance, and support long-term climate resilience.

By combining engineering excellence with lifecycle accountability, your Company continues to position water infrastructure as a strategic enabler of circular growth.

Circular Economy in Action Through Flagship Projects

Your Company's project portfolio demonstrates how circular economy principles can be implemented at scale to solve real urban and industrial challenges. Across multiple geographies, your Company's facilities are helping cities restore water bodies, reduce pollution, recover energy, recycle water, and create long-term environmental value through reuse and recovery-led infrastructure.

The 150 MLD K&C Valley WWTP, Bengaluru is a leading example of wastewater reuse creating regional water security. The plant generates over 5,450 crores litres of treated used water annually, supporting lakes and water-stressed regions such as Kolar and Chikkaballapura. In addition, sludge-derived energy meets nearly 67% of the plant's total power requirement, demonstrating integrated water and energy recovery.

The Digha and Kankarbagh Wastewater Infrastructure Project, Patna, with a combined treatment capacity of 150 MLD, represents a major milestone under the Namami Gange Programme. The integrated system includes sewage treatment plants, sewerage networks, pumping stations, and long-term operations responsibility, helping improve sanitation coverage while significantly reducing pollution load entering the River Ganga.

Your Company's KMDA wastewater projects in Kolkata, developed under the Hybrid Annuity Model, further support river rejuvenation through modern sewage treatment infrastructure designed to improve water quality, protect ecosystems, and benefit millions of residents across the metropolitan region.

The Pappankalan WWTP, New Delhi continues to remain an important benchmark in resource recovery-led wastewater management through treated water discharge, green energy generation, and beneficial sludge reuse.

Your Company's NMDC Central Zero Liquid Discharge (CZLD) Project is another significant example of industrial circularity. By treating and recovering water from industrial effluent streams for reuse, the project supports responsible industrial growth while minimizing freshwater intake and wastewater discharge.

Expanding Circularity into Clean Energy

Your Company views Bio-CBG as the next frontier in circular economy-led infrastructure, where organic waste streams from wastewater treatment are transformed into clean, compressed renewable fuel. Produced by upgrading biogas generated during sewage sludge digestion, Bio-CBG serves as a clean and green transportation fuel, offering a sustainable replacement to conventional fossil fuels while reducing methane emissions and unlocking additional value from wastewater assets.

During the year, your Company marked an important milestone by entering the Bio-CBG segment through its first Bio-CNG project in partnership with Peak Sustainability Ventures. The project will convert biogas generated from the 70 MLD Dundaheda Sewage Treatment Plant (STP) in Ghaziabad into high-quality renewable fuel, creating an additional revenue stream for the municipal corporation, improving air quality, and demonstrating a scalable model that connects water, waste and clean mobility solutions.

Manufactured Water: Creating New Water Sources

Driven by the belief that water is too precious to be used only once, your Company continues to advance the concept of Manufactured Water by converting treated wastewater into dependable alternate water sources for industrial and municipal use.

The Koyambedu TTRO Plant, Chennai, one of India's most advanced tertiary treatment and reuse facilities, converts municipal wastewater into high-quality industrial water, helping conserve significant volumes of freshwater annually. The project has received global recognition as a benchmark in urban water reuse.

The 40 MLD Ghaziabad TTRO Plant further strengthens this leadership by recycling municipal wastewater into high-quality industrial-grade water for the Sahibabad industrial region, reducing freshwater dependency while supporting uninterrupted economic activity.

Both the Koyambedu TTRO Plant and the Ghaziabad TTRO Plant have received international recognition at the Global Water Awards for excellence in water reuse, reinforcing your Company's leadership in manufactured water solutions.

Sustainability Performance and Recognitions

Your Company's commitment to measurable sustainability outcomes continues to receive independent recognition. In its latest CDP assessment, your Company achieved a rating of A- in Water Security and B in Climate Change, reflecting strong governance, transparent disclosures, and environmental performance.

During FY 2025–26, your Company was honoured with several prestigious recognitions, including:

- Best WWTP (Digha & Kankarbagh Project), Complete Water Solution Provider - Industrial, and Net Zero Initiative of the Year at the Water Digest World Water Awards 2025-26;
- Innovation in Sludge Treatment & Resource Recovery at the Global Sustainability & Innovation Awards 2026;
- Recognised as a Champion of Circular Revolution at the ET Edge Global Sustainability Alliance–Transformation Series;
- International recognition at the Global Water Awards for the Ghaziabad TTRO project, which was recognised as Water Reuse Project of the Year.

Looking Ahead

As cities and industries increasingly seek sustainable water and climate solutions, your Company remains committed to scaling circular economy practices that create new water sources, recover valuable resources, reduce emissions, and strengthen environmental resilience. By integrating water, energy, and sustainability, your Company continues to build infrastructure that powers economies while preserving resources for future generations.

KEY PROJECT UPDATES

INDIA CLUSTER

CHENNAI METROPOLITAN WATER SUPPLY AND SEWERAGE BOARD, INDIA – SWRO DESALINATION PLANT – PERUR

Your Company, along with METITO Overseas Limited, is executing a landmark 400 MLD desalination project worth INR 4,400 Crores for CMWSSB at Perur, Chennai (the largest order in the Company's history) and, upon completion, this will be the largest desalination plant in Southeast Asia region.

The 400 MLD SWRO desalination plant at Perur, funded by Japan International Cooperation Agency (JICA), will significantly strengthen Chennai's water security, taking the city's total desalination capacity to around 750 MLD. Under the 42-month DBO contract, followed by 20 years of O&M, your Company will play a pivotal role in managing the supply of nearly 70% of Chennai's desalinated water, reinforcing its leadership in the sector.

The said project has achieved significant progress across all key execution fronts, reaching 95% Engineering completion, 99.6% Procurement (Ordering) completion, 94% Marine Works completion, and 75.24% Civil Works completion. These achievements reflect strong project execution, effective planning, and sustained momentum toward successful project delivery within the committed schedule.

Procurement activities are progressing as planned, with all major supply packages successfully ordered and the majority of materials already delivered to site. Notably, all foreign supplies have been completed ahead of the project schedule. Critical equipment and materials, including Energy Recovery Devices (ERDs), Reverse Osmosis (RO) Membranes, RO Pressure Vessels (ROPVs), GRP Pipes, Transformers, HT Panels, Cables, and SDSS Pipes, have been delivered. The balance materials are under fabrication and manufacturing, in line with the project execution plan.

A major project milestone was achieved during the period May 2025 to May 2026 with the successful completion of key offshore marine activities, which includes:

- Intake Pipeline Launching – 1,200 m × 2 Nos.
- Outfall Pipeline Launching – 750 m
- Caisson Launching – 4 Nos.

This represents a landmark achievement for WABAG, marking the successful execution of marine works of this scale and complexity for the first time. The accomplishment demonstrates the Company's expanding technical capabilities and the team's commitment to delivering challenging projects with excellence.

Construction activities have gained significant momentum, with multiple work fronts progressing simultaneously and at an accelerated pace. Hydrostatic testing has been successfully completed for major structures, including Intake Structure, Product Water Tank, Permeate Tank, Clear Water Reservoir, Gravity Thickener, Sludge Balancing Tank, Neutralization Pit.

Mechanical installation activities are now in full swing. Major equipment erection has been completed, including Intake VT Pumps with Motor, Sludge Thickener, RO Skids. Erection Works are currently progressing for RO High pressure pump, ERD Booster Pump, Travelling Band Screen, RO Pressure Vessels, GRP Pipes, SDSS Pipes, Lamella Clarifier.

Overall, the project continues to progress strongly across procurement, marine, civil, and mechanical work fronts, maintaining alignment with key project milestones and delivery objectives.

DHAKA WATER & SEWERAGE AUTHORITY, PAGLA – 200 MLD STP

This prestigious assignment is being executed by your Company for the Dhaka Water Supply and Sewerage Authority (DWASA) and involves the treatment of 200 MLD capacity at Pagla Wastewater Treatment Plant. This landmark project [jointly funded by the World Bank, the Asian Infrastructure Investment Bank (AIIB), and the Government of Bangladesh - reinforcing its strategic importance and global credibility] is Bangladesh's first sludge-to-energy wastewater facility, with 40 months of execution period, followed by 5 years of comprehensive O&M.

The facility integrates activated sludge treatment, space-efficient lamella clarifiers, advanced odour control, and bio-gas-based captive power generation covering up to 40% of its energy demand.

Aligned with World Bank's ESG standards, this project underscores your Company's strategic focus on global expansion, wastewater treatment, and multilateral-funded sustainable infrastructure.

Significant milestones have been achieved on the construction of Aeration Tank & Secondary sedimentation tank works. The project has recorded significant accomplishments with 56% of ordering.

RENEWSYS

The rapid expansion of India's renewable energy infrastructure has driven a critical shift toward domestic manufacturing. Historically dependent on imported solar components, India launched the Production Linked Incentive (PLI) scheme to establish self-reliant, gigawatt-scale manufacturing ecosystems.

As India's first integrated manufacturer of solar PV modules and key components (backsheets, EVA encapsulants, and solar cells), RenewSys India Pvt. Ltd. (part of the global Enpee Group) initiated a major expansion at its hub in FabCity, Maheshwaram, Hyderabad. The Company set out to build an advanced 2GW Solar PV Cell Manufacturing Facility to produce next-generation high-efficiency solar cells.

Solar cell fabrication is an intensely water-reliant process. Manufacturing high-efficiency silicon wafers requires massive volumes of Ultrapure Water (UPW) for various solar cell manufacturing processes. Even minute impurities or dissolved ions in the process

water can adversely affect semiconductor performance and reduce cell efficiency. Concurrently, the manufacturing process generates hazardous chemical effluents containing acids, fluorides, heavy metals, and suspended solids.

As the facility is located in a water-stressed region of Telangana, securing a reliable freshwater supply while responsibly managing hazardous liquid discharge presented a critical operational and environmental challenge. To address this dual challenge, RenewSys required an integrated, closed-loop water infrastructure capable of generating electronic-grade ultrapure water and treating wastewater to achieve Zero Liquid Discharge (ZLD) compliance.

In August 2025, RenewSys awarded a turnkey Engineering, Procurement and Construction (EPC) contract to WABAG, a global leader in water technology.

The project represents a milestone integration of high-tech solar manufacturing and sustainable, circular-economy water management. By recycling 90% to 94% of its process wastewater through advanced Mechanical Vapour Recompression (MVR) technology, the facility secures its water supply, minimizes stress on Hyderabad's local water resources, and eliminates environmental discharge.

The project has achieved significant progress across all key execution fronts as under:

- Basic engineering - 100% completed;
- Detailed Engineering - 100% completed;
- Ordering 100% Completed;
- Manufacturing & Supply of items - 77% completed against the schedule of 73%;
- Erection of mechanical equipment and tanks started at site;
- Commissioning expected to be completed by November 2026.

GAIL (India) Limited – PATA, Uttar Pradesh

Your Company was awarded a prestigious contract by GAIL (India) Limited for advanced water treatment infrastructure at its Pata petrochemical complex in Uttar Pradesh, for a 450 m³ / hr UF-RO Effluent Recycle Plant, a ZLD facility with evaporator technology, a new WWTP, and upgrades to existing treatment systems - maximizing water recovery and minimizing environmental impact. The project will be completed within 24 months, followed by a 6-month O&M period, with PDIL serving as the Engineer-in-Charge. Once operational, the treated water will be reused as Cooling Tower Make-Up water, significantly reducing GAIL's reliance on freshwater resources and reinforcing its commitment to sustainable industrial operations.

The project has achieved almost 50% cumulative progress against the overall scope. Engineering activities have reached close to 95% completion, including the submission and approval of detailed engineering documents. Material ordering activities have achieved 99% completion, with procurement of the remaining critical items in progress. Manufacturing & Supply has progressed to close to 50% completion, reflecting steady advancement in fabrication and supply activities. Construction & Commissioning activities have achieved

about 23% completion, with ongoing focus on key work fronts across the NWWTP, RO-ZLD, and SWGP facilities to sustain progress and support upcoming project milestones.

BWSSB – Bommanahalli

The BWSSB WBS-III Project is being executed by your Company under Karnataka Water Security and Disaster Resilience Program (KWSDRP), funded by the World Bank and implemented by the Bangalore Water Supply and Sewerage Board (BWSSB). This marks a repeat order from BWSSB, which further strengthens WABAG's reputation as a trusted Life Cycle Partner. The project involves the design, engineering, construction, testing, commissioning, and operation & maintenance for a period of ten years of wastewater treatment and sewerage infrastructure for 110 villages in the Bommanahalli Zone of Bengaluru.

The scope of work includes the construction of four Wastewater Treatment Plants (WWTPs) with capacities of 5 MLD at Iblur, 10 MLD at U.M. Kaval, 15 MLD at Hulimavu, and 35 MLD at Anjanapura, along with Intermediate Sewage Pumping Stations (ISPS) at Vakil Garden and Gottigere. The treatment facilities are based on advanced Sequential Batch Reactor (SBR) technology and include tertiary treatment units, biogas generation systems, solar sludge drying beds, sludge dewatering facilities, and SCADA-based automation systems. In addition, the project includes the construction of approximately 77 km of underground sewer network comprising DWC, RCC, and DI pipelines, machine holes, lifting pumping stations, and associated restoration works.

Chennai Petroleum Corporation Limited (CPCL) - Chennai

WABAG has been awarded a contract by Chennai Petroleum Corporation Limited (CPCL) for a strategic water infrastructure project in Tamil Nadu.

The scope of work includes engineering, supply, fabrication, installation, and commissioning of desalinated water pipelines connecting CPCL's Manali Refinery to its desalination plant in Kattupalli. The project is slated for completion within 12 months.

The project's inherent complexities—such as pipeline laying through marshy terrain, across canals, and railway crossings—underscore CPCL's continued trust in WABAG as the ideal partner to deliver this challenging project.

This initiative will play a vital role in meeting CPCL's industrial water requirements. The award also reaffirms WABAG's long-standing partnership with CPCL, who once again entrusted WABAG with the delivery of a mission-critical infrastructure project.

This project involves complex execution across marshlands, canals, and railway crossings, reaffirming CPCL's confidence in WABAG's capability to deliver critical water infrastructure.

The project will strengthen CPCL's industrial water security and further reinforce your Company's trusted partnership with CPCL. Procurement activities are completed as per schedule. The construction activities are in full swing and is expected to be commissioned by November 2026.

City and Industrial Development Corporation (CIDCO)

Your Company has made a strong return to the Design-Build-Operate (DBO) space in Maharashtra by securing a 270 MLD Water Treatment Plant (WTP) project from the CIDCO. The project involves the design, construction, and long-term operation of a water treatment facility at Jite, Raigad, aimed at addressing the increasing water demand of Navi Mumbai. The plant will source water from the Hetwane Dam, which, after treatment, will be pumped to the existing Master Balancing Reservoir (MBR) at Vihal for distribution throughout the city. WABAG will be responsible for the end-to-end execution of the project, including design, engineering, procurement, construction, installation, commissioning, and a 15-year operation and maintenance (O&M) period. The construction phase is scheduled for completion within 42 months from commencement. This project underscores your Company's continued commitment to delivering sustainable water infrastructure and reaffirms its expertise in executing large-scale urban water supply solutions.

The project has achieved 78% overall completion, reflecting steady progress across engineering, procurement, and construction activities. A total of 10,970 cum of RCC has been completed against the planned 16,500 cum, marking substantial advancement in civil works. Procurement activities are nearing closure, with 99% of material supply completed and the balance items being expedited to support ongoing site execution. Construction activities continue to progress in line with the project schedule, with the team focused on completing the remaining civil, mechanical, and commissioning-related works to achieve the targeted Mechanical Completion by January 2027.

IOCL Projects:

IOCL Panipat - DM/CPU Plant & ETP

Your Company was awarded the EPCC Package for DM, CPU, and ETP facilities along with associated utilities for the Poly Butadiene Rubber (PBR) Plant Project at IOCL Panipat Refinery and Petrochemical Complex, Panipat, Haryana, India. The project scope encompasses the Engineering, Procurement, Construction, and Commissioning (EPCC) of the DM Plant, CPU, and ETP facilities. Technip Energies has been appointed as the Consultant for the project.

The project includes the establishment of a 180 m³/hr Demineralized (DM) Water Plant, 75 m³/hr Condensate Polishing Unit (CPU), and 15 m³/hr Effluent Treatment Plant (ETP). The EPC phase is scheduled for completion within 12 months, followed by a one-month period for commissioning and Performance Guarantee Test Run (PGTR).

Key highlights of the project include the completion of approximately 90% of the 3D model review, reflecting substantial progress in the engineering phase. The civil works and piping fabrication activities are currently in progress. Equipment erection activities, along with Electrical and Instrumentation (E&I) works, are scheduled to commence from June 2026 onwards.

IOCL Panipat – DM plant 2 Chain

Your Company was awarded the repeat order of EPC Package for DM Plant – 2 Chains (1 Working + 1 Standby), Degasser, RO Feed Tank & MB

Vessel at the ROTTP Area, and Conversion of DMF Tank at the NDMP Area, Panipat Refinery on a Lump Sum Turnkey (LSTK) basis. The scope of work includes the Engineering, Procurement, Construction, and Commissioning (EPC) of the DM Plant facilities. Development Consultant Private Limited (DCPL) has been appointed as the Project Consultant for this assignment.

The project involves the establishment of two chains of 160 m³/hr Demineralized (DM) Water Plants (1 Working + 1 Standby). The first DM plant is scheduled for completion within 10 months, while the second plant is targeted for completion within 12 months. This will be followed by a two-month commissioning period in automatic mode for both plants.

Key highlights include the completion of basic engineering for the project. Approximately 30% of the 3D model has been completed, and the model review meeting with the client is currently being scheduled. Purchase Order (PO) placement and Bank Guarantee (BG) opening for critical tagged items are in progress. The topographical survey and soil investigation activities have been successfully completed. Approximately 60% of the dismantling activities have been completed to date. The resources for civil works are being mobilized.

Reliance Industries Limited (RIL) Packages

WABAG has secured significant repeat orders from RIL for the supply of advanced Water Treatment Systems at its Dahej and Nagothane facilities. This includes two DM – CPU plants of capacities 3 X 300 m³/hr – 2 x 150 m³/hr each, one ETP of capacity 520 m³/hr, one TTP of capacity 925 m³/hr and augmentation of one existing ETP. This win marks yet another milestone in WABAG's long-standing relationship with RIL, a key client for nearly three decades. The repeat order further strengthens your Company's reputation as a trusted and preferred partner for water and wastewater solutions in the Oil, Gas, and Petrochemical sector.

The DMD DM CPU project has achieved an overall progress of 80%, with the project team receiving appreciation from RIL for achieving safe man-hour milestones. Mechanical completion of the project is targeted by August 2026. The NMD DM-CPU project has achieved 70% overall completion, with significant progress across construction activities. Pipe rack erection has been fully completed, and major civil works have been substantially finished, except for a few pending equipment foundations. The project team continues to focus on the remaining construction and installation activities to achieve the targeted mechanical completion by October 2026.

For the DMD ETP project, 90% of the 3D modelling has been completed and tag closure activities are in progress. Procurement is progressing well, with all imported items delivered to site and around 50% of indigenous items already delivered, while the balance remains in advanced stages of manufacturing. Supply completion is targeted by September 2026, with mechanical completion planned by November 2026. Procurement is progressing well for NMD-ETP project, with all imported items delivered to site and around 50% of indigenous items already delivered, while the balance remains in advanced stages of manufacturing.

Engineering activities for the SSF projects have been completed, and supply completion is expected by July 2026.

Projects under the Public-Private Partnership (PPP) Model

A. BIHAR URBAN INFRASTRUCTURE DEVELOPMENT CORPORATION (HAM) – STP & NETWORK

Your Company, a leading pure-play Indian multinational in water technology, is currently executing the largest project awarded under the Namami Gange Programme. Awarded by the Bihar Urban Infrastructure Development Corporation (BUIDCO) under the National Mission for Clean Ganga (NMCG), the project is being implemented in the Digha and Kankarbagh zones of Patna, one of the most densely populated cities situated along the banks of the River Ganga. This prestigious project involves the construction of Sewage Treatment Plants (STPs) with a total capacity of 150 million litres per day (MLD), along with a comprehensive sewerage network spanning over 453 kilometers. It is a combination of Design, Build and Operate (DBO) and Hybrid Annuity Model (HAM) execution. Notably, this marks the first water infrastructure project in the state of Bihar to be implemented under the HAM model, where 40% of the EPC cost will be provided as a grant during construction, and the remaining 60% will be paid as annuity over 15 years, along with operational costs. At the heart of the project is the development of two major STPs: a 100 MLD plant in Digha, accompanied by interception and diversion works, two sewage pumping stations, a redesigned 300-kilometer sewerage network; and a 50 MLD plant in Kankarbagh, which includes flow diversion works and a newly designed 150-kilometer network.

The STPs are designed with a resource recovery model, incorporating green energy generation from biogas, which helps to minimize operational costs and reduce environmental impact. Additionally, these plants are being constructed with a focus on compact design and high efficiency, ensuring a minimal footprint while maximizing performance. WABAG is making commendable progress on this project, advancing steadily on all fronts and reinforcing its role as a trusted partner in India's mission to rejuvenate the River Ganga and improve urban sanitation through sustainable, future-ready water solutions.

This project was crowned "Wastewater Project of the Year" at the Global Water Summit 2026, highlighting your Company's global benchmark in sustainable urban wastewater management. Your Company has successfully begun the O&M phase for both the STPs early in Q4 of Financial Year 2025-2026.

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 Uttar Pradesh for the development of a 40 MLD Tertiary Treatment Plant (TTP). The project, awarded under the Hybrid Annuity Model (HAM) as part of a Design-Build-Operate (DBO) contract. Under this agreement, WABAG was responsible for constructing the plant over a period of two years and will operate and maintain the new facility—along with the existing upstream 56 MLD Sewage Treatment Plant (STP)—for a duration of 15 years post-commissioning. This milestone project was notable not only for its scale but also for its innovative financing

model, as the construction phase is co-funded by one of India's first municipal Green Bonds issued specifically for a water treatment initiative. The Ghaziabad TTP treats effluent from the existing STP to produce high-quality, industrial-grade recycled water, which will be supplied to industries in the Sahibabad Industrial Estate. This landmark project further cemented WABAG's leadership in water reuse and recycling technologies in India. The use of green bond funding, a first for any water treatment project in the country, underlines the project's alignment with environmental sustainability and ESG priorities. Adding to its credibility, Ghaziabad Nagar Nigam is a debt-free entity and has consistently maintained a revenue surplus in recent years, according to India Ratings—enhancing the project's financial robustness and long-term viability.

The project was internationally recognized when it received the Best Municipal Treated Water Reuse Award at the Water Digest World Water Awards 2024-25. Additionally, an international delegation from West Suffolk College, UK, visited the TTP as part of a study tour on smart and sustainable cities. The completion certificate was obtained from the client in December 2025.

MEA CLUSTER

KEY PROJECT UPDATES & ACHIEVEMENTS

Yanbu 300 MLD SWRO, Saudi Arabia

- **Client:** Saudi Water Authority (SWA)
- **Project Capacity:** 300 Million Litres per Day (MLD)
- **Strategic Significance:**

WABAG's journey to securing the Yanbu mega-desalination project stands as a powerful testament to its perseverance and core values. Notably, WABAG emerged as the L1 bidder in all three calls of the tender, consistently demonstrating technical superiority and commercial competitiveness. Despite the project being re-tendered multiple times, our unwavering focus, resilience, and commitment to excellence ensured that we remained at the forefront ultimately converting this persistence into success.

This landmark achievement reflects the strength of WABAG's cultural pillars- Resilience, Customer Centricity, Innovation, and Execution Excellence, which continue to define our approach in navigating complex and competitive opportunities. Winning one of our largest EPC orders in the Kingdom reinforces our capability to compete and succeed in the "Mega-Project" category, while further strengthening our reputation as a trusted infrastructure partner for the Saudi Water Authority (SWA).

Aligned with Saudi Vision 2030, the Yanbu project will significantly contribute to enhancing water security through sustainable, large-scale desalination infrastructure. For WABAG, this success is more than a commercial milestone—it is a reflection of our consistency, determination, and ability to deliver value at scale, even in the face of repeated challenges.

Al Jouf 50 MLD BWRO, Saudi Arabia

- **Client:** Saudi Water Authority (SWA)
- **Project Capacity:** 50 Million Litres per Day (MLD)
- **Strategic Significance:**

WABAG secured a Letter of Award from the Saudi Water Authority (SWA) for a 'Large' repeat order, reaffirming its strong partnership and continued trust in the Kingdom of Saudi Arabia. The scope encompasses Engineering, Procurement and Construction (EPC) of a technologically advanced 50 MLD Brackish Water Reverse Osmosis (BWRO) plant at Al Jouf.

This state-of-the-art facility is designed to treat raw water sourced from bore well fields containing rare and complex elements presenting a challenging water chemistry that demands advanced treatment solutions. To address this, the plant integrates a robust pre-treatment system based on ceramic membrane filtration technology, followed by micron cartridge filtration and reverse osmosis.

By deploying next-generation treatment technologies for "complex water" applications, WABAG continues to expand its differentiated capabilities in high-end desalination and water reuse solutions, particularly in regions where groundwater quality necessitates specialized treatment. This repeat order not only underscores WABAG's technological leadership in BWRO, SWRO, and advanced water solutions, but also reflects its consistent ability to deliver high-performance infrastructure aligned with the Kingdom's vision for sustainable and resilient water security.

AMAS STP, Bahrain

- **Client:** Ministry of Works (MOW)
- **Project Capacity:** 40 Million Litres per Day (MLD)
- **Strategic Significance:**

WABAG secured a repeat order for 5-year Operation and Maintenance (O&M) from the Ministry of Works, Municipalities Affairs and Urban Planning in the Kingdom of Bahrain. The contract covers the Madinat Salman Sewage Treatment Plant (STP) and its associated long sea outfall, reinforcing WABAG's strong presence in long-term asset management in the region.

Originally awarded the EPC scope of the 40 MLD STP and outfall in 2015, WABAG successfully delivered and commissioned the facility in October 2018, and has since been entrusted with its continuous operation and maintenance. The award of this long-term O&M contract stands as a testament to WABAG's consistent execution excellence, operational reliability, and the enduring confidence placed in its capabilities.

This repeat mandate not only strengthens WABAG's annuity-based revenue stream and enhances cash flow visibility, but also reflects its commitment to delivering sustainable, high-performance infrastructure solutions across the asset lifecycle building long-standing partnerships through quality, reliability, and trust.

I. OPERATIONAL EXCELLENCE

Ras Tanura RTR Industrial Wastewater Project

The Company has secured a work order from SEPCO III Electric Power Construction Corporation (SEPCO III) for engineering and procurement work at 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. All

Major equipment is delivered to site and installation completed. Plant is under pre-commissioning.

Al Haer ISTP Project

The Company has secured a work order from Miahona's HESCO (Al Haer Environmental Services Company) for engineering, procurement and construction work at a 200 MLD Municipal Sewage Treatment Plant (ISTP) at Al Haer (near Riyadh), Saudi Arabia. The project developed by Miahona, a PPP developer and operator of water and wastewater projects in Saudi Arabia.

The scope includes design, engineering, procurement, construction supply & supervision of installation and commissioning of the ISTP to treat municipal sewage from the existing STP's inlet chamber. The order is scheduled to be completed over a 30-month period and will employ Nereda based biological treatment followed by disc filtration for tertiary treatment and UV disinfection before being pumped for reuse in irrigation. This contract shall be executed locally by Wabag India's branch office in conjunction with engineering offices in India, Turkey and Saudi which signifies the "One Wabag" motto.

The Project has significantly performed 75% physical progress in a span of 16 months with 11% physical progress in a single month which demonstrated commendable teamwork by the project team. 8 metres single lift concrete wall was done which had substantially reduced the time. 6 nos. of tanks Hydro testing were completed with no leaks observed which demonstrated WABAG's Quality. Plant is expected to be Commissioned by beginning of 2027.

BAPCO O&M

WABAG has secured a significant work order from BAPCO (Bahrain Petroleum Company) for the operation of a 24 MLD Wastewater Treatment Plant (MBR based). The scope of this contract includes manpower, supply of chemicals, and minor consumables, and will be executed over an 84-month period. The project is for a period of 7 years. This project is being managed locally by our subsidiary office, WABAG Belhasa JV WLL. Importantly, this marks a breakthrough order for us in the Middle East. We are proud to be associated with BAPCO, one of the most prominent clients in the Kingdom of Bahrain.

Currently, nearly one year has been executed, and we are proud to share the following achievements:

1. Consistently achieved effluent quality within BAPCO regulatory & Supreme Council of Environment limits.
2. Optimized energy consumption by 11% through improved aeration control and pump scheduling.
3. Maintained all safety protocols, with the team strictly adhering to BAPCO's safety compliance standards throughout operations.
4. Maintaining continuous operational optimization and efficiency gains.
5. Achieved safe man-hours without any Lost Time Injury (LTI).

This achievement enhances WABAG's brand value in the Middle East and positions us strongly in the regional market for wastewater opportunities across both municipal and industrial sectors.

Doha STP, Qatar (203 MLD)

WABAG successfully completed the EPC phase and Defects Liability Period (DLP) with seamless execution and without any operational disruptions, reflecting its disciplined project management and unwavering focus on quality. Notably, the plant consistently delivered "Zero Odor Complaints" even during high-profile events such as the FIFA World Cup and the Asian Cup, demonstrating exceptional operational control and sensitivity to community and environmental standards. This performance underscores WABAG's ability to uphold the highest benchmarks of reliability and stakeholder commitment, ensuring uninterrupted service delivery even under heightened public and regulatory scrutiny.

Duqm SWRO, Oman

WABAG continues to strengthen its footprint in Oman through the successful execution of the 5-year O&M contract awarded by Nama Water Services for the 6 MLD Sea Water Desalination Plant at Duqm. Having been in operation for almost 2 years under this contract, the plant is consistently being operated meeting the client's water requirements while adhering to quality. In addition, WABAG has consistently realized payments from the client within 30 days of invoicing, reflecting strong contract management and client confidence. Executed through WABAG Muscat LLC, this project continues to reinforce WABAG's Operational Excellence and strengthens its long-standing presence in Oman's water sector and the broader Middle East region.

II. SAFETY & RECOGNITION

Qatar: The Five-Star Standard

WABAG JV has been conferred with the prestigious **"Five Star Certificate"** in Safety & Environment for three consecutive years by Qatar Energy, Qatar, for the project *"Operation & Maintenance of Sewerage Systems and Treatment Facilities at MIC."* This consistent recognition reflects the JV's exemplary performance in maintaining the highest standards of health, safety, and environmental stewardship across all operations. It stands as a testament to WABAG's deep-rooted commitment to safeguarding people and the environment, while ensuring full adherence to Qatar Energy's stringent compliance frameworks. The achievement further underscores WABAG's culture of disciplined execution and responsible operations, where safety and sustainability are seamlessly embedded into everyday practices, reinforcing long-term value creation for stakeholders.

Bahrain: Force Majeure Resilience

WABAG received formal appreciation from BAPCO for ensuring uninterrupted wastewater treatment plant (WWTP) operations and strict adherence to safety protocols during recent force majeure conditions demonstrating its ability to perform with resilience under pressure. This recognition highlights WABAG's steadfast commitment to operational excellence, proactive risk management, and uncompromising safety standards, even in the most challenging circumstances.

III. STRATEGIC GROWTH & MARKET POSITIONING.

Transformation to Developer Status

The Middle East market is experiencing a significant shift toward **Public-Private Partnerships (PPP)**. WABAG has strategically pivoted to meet this demand.

WABAG's qualification as a **Developer** with the **Saudi Water Partnership Company (SWPC)** in the Kingdom marks a significant strategic milestone, reinforcing its evolution across the water value chain. This recognition reflects WABAG's strong technical credentials, financial robustness, and proven ability to deliver complex infrastructure solutions in highly competitive environments.

By securing this qualification, WABAG strengthens its position in the Public-Private Partnership (PPP) segment within the **Middle East Market**, enabling active participation in large-scale, future-ready water infrastructure projects.

WABAG marked a notable milestone by **engaging** as a **developer** in the prestigious LTOM 11 program with the National Water Company (NWC), signalling its continued progression into the integrated infrastructure development space. This participation highlights the Company's strategic intent to play a broader role in shaping large-scale water initiatives, while leveraging its expertise to deliver long-term, sustainable solutions.

WABAG successfully achieved **technical** and **financial** qualification for NWC's LTOM projects, underscoring its strong credentials, financial resilience, and proven track record in delivering complex water and wastewater solutions. This qualification enhances WABAG's ability to compete in **long-term asset management** opportunities, reinforcing its position as a reliable partner for large-scale infrastructure programs in the region.

Strategic Milestone: Registration with Saudi Aramco

In a significant strategic development, VA TECH WABAG Limited has successfully registered with Saudi Aramco, one of the world's leading integrated energy and chemicals companies. The Company has been registered with Saudi Aramco, for working with this prestigious customer in the Kingdom of Saudi Arabia.

In line with our business strategy, this registration marks an important step in strengthening the Company's presence in the Middle East and also expanding our clientele in industrial segment. This registration will pave way for WABAG to participate directly with Saudi Aramco as EP/EPC player for all the upcoming opportunities in the region.

IV. CLIENT DEVELOPMENT & REGISTRATIONS

Registrations play a critical role in expanding our client base across the Middle East and CIS regions. They enable us to establish direct connections with customers, gain visibility into upcoming opportunities, and participate in project tenders. To support this objective, a dedicated team works continuously on registration activities, resulting in a significant number of successful registrations during the current financial year.

In line with our business expansion strategy, we have also secured registrations in emerging markets such as Uzbekistan and Azerbaijan.

The registrations span both municipal and industrial customers and are expected to strengthen our business development efforts and enhance our ability to pursue opportunities across the Middle East and CIS regions in the future.

New Markets

During FY 2025–26, WABAG continued to expand its global footprint by entering new geographies and strengthening its presence across the GCC. These milestones reflect the Company's long-term commitment to market development, customer engagement, and disciplined pursuit of strategic opportunities.

United Arab Emirates

The award of the Ajman Sewage Bio Refinery Plant marks a significant milestone in WABAG's Middle East growth journey. After nearly eight years of sustained efforts in the UAE market, the Company secured its first major project in the country as the Lead Partner, demonstrating resilience, perseverance, and unwavering commitment to establishing a strong local presence.

The breakthrough was the result of years of relationship building, technical engagement, and participation in multiple opportunities across the region. WABAG's successful pre-qualification and subsequent project award with a new customer in Ajman validates the Company's technical expertise, execution capabilities, and credibility in delivering sustainable water infrastructure solutions.

This landmark achievement not only establishes WABAG's presence in the UAE but also creates a strong platform for pursuing future opportunities across the Emirates and the wider GCC region.

Kuwait

WABAG's entry into the Kuwait market is a testament to its persistence and strategic approach to business development. The Doha 60 MIGD SWRO opportunity, first pursued in 2020,

progressed through multiple bid cycles and extensive evaluations before reaching fruition.

Rather than viewing each phase as a setback, WABAG leveraged every iteration to deepen its market understanding, strengthen customer engagement, and refine its competitive positioning. A key milestone in this journey was the identification of a strong local partner, HEISCO, whose complementary capabilities further enhanced WABAG's ability to address project requirements effectively.

The Company's continued commitment and adaptability ultimately paved the way for establishing a foothold in Kuwait, opening new avenues for growth in one of the GCC's strategically important markets.

CIS Region

As part of its strategy to expand beyond its established GCC presence, WABAG intensified its focus on the CIS region, laying the foundation for long-term growth in emerging markets.

The Company actively engaged with key government utilities and stakeholders to showcase its capabilities and strengthen market relationships.

To support sustainable growth, WABAG expanded its network of local partners and established connections with leading international financial institutions, including ADB, EBRD, SFD, AFD, IsDB, and the World Bank. These efforts have enhanced the Company's visibility into upcoming opportunities and positioned it strongly to capitalize on the region's growing demand for water and wastewater infrastructure.

V. GLOBAL INDUSTRY ENGAGEMENT & STRATEGIC NETWORKING

During FY 2025–26, WABAG further strengthened its global presence through active participation in leading international water and infrastructure forums, reinforcing its position as a trusted partner in sustainable water management. These platforms provided valuable opportunities to engage with government authorities, utility leaders, industry experts, technology providers, financing institutions, and potential business partners from across the world.

A key highlight was WABAG's participation in the Global Water Expo, Riyadh where the Company's showcase of innovative and sustainable water solutions attracted exceptional interest, with over 1,000 visitors engaging at its exhibit. WABAG also participated in the Global Water Summit 2025 in Paris, France, and the Global Industrial Utilities Forum 2025 in Al Khobar, Kingdom of Saudi Arabia, expanding its reach among key stakeholders in the municipal and industrial water sectors.

Through these engagements, the Company strengthened existing relationships, established new strategic connections, and enhanced visibility across priority markets. The interactions

provided valuable insights into emerging industry trends and upcoming opportunities, while showcasing WABAG's technological capabilities and commitment to delivering resilient, future-ready water infrastructure. Collectively, these initiatives reflect WABAG's continued focus on expanding its global network, fostering meaningful collaborations, and creating a strong foundation for long-term growth.

Africa Business

TUNISIA

WABAG secured a repeat award from **ONAS for the Ben Arous wastewater treatment project**, reflecting the client's continued trust in WABAG's ability to deliver excellence. During this period, WABAG also completed multiple water and wastewater projects for SONEDE and ONAS at Kasseb, Taklisah, Thibar, Nefta and under the "3 STEPs" contract. This sustained focus on delivering projects on time and to clients' satisfaction is securing a sustainable order book in the region and positioning WABAG for continued growth.

OTHER REGIONS

In Zambia, we secured additional orders to transform the plant into an energy-neutral facility operating without grid power — a clear demonstration of our ability to deliver innovative, sustainability-driven solutions for our clients.

Throughout the year, we positioned ourselves on several large-scale projects in new markets such as Morocco, while expanding our presence further in Egypt. Our ability to deliver solutions tailored to client requirements in a highly competitive manner places us in pole position for potential conversion into order bookings.

Our project in Senegal achieved a major milestone with mechanical completion and is presently being taken into trial operations. Beyond our regular municipal clients, we also focused on the industrial sector, proposing solutions to clients in Angola and Namibia across the mining and fertilizer industries, which are now at various stages of development.

EUROPE CLUSTER

NEW ORDER INTAKES

GEORGIA

VA TECH WABAG GmbH (a step down wholly owned subsidiary of WABAG) has been awarded a contract for **Design & Build of the municipal WWTP Kutaisi in Georgia** - marking its entry into a new market region.

WABAG Austria as Consortium leader, has secured a 'Large' order from United Water Supply Company of Georgia LLC ('UWSCG') to build a new municipal wastewater treatment plant with a capacity of 19,067 m³/d, expandable to 56,400 m³/d in its final stage 3, for Kutaisi, the third-largest city in Georgia. The project is financed by the European Investment Bank (EIB).

The EPC contract includes the demolition of the existing old WWTP, the construction of a new inflow collector with a length of 6.5 km, construction of Phase 1 of the WWTP, and an effluent pipeline to the river.

PROJECTS AT A GLANCE

Kutaisi WWTP

Client: United Water Supply Company of Georgia LLC ('UWSCG')

Project Type: EPC order, turnkey execution with local civil contractor consortium partner

Technologies: mech./biological treatment process (activated sludge) with nutrient removal, including final sedimentation and UV disinfection, sludge treatment (thickening and dewatering) and solar sludge drying system.

Capacity: 19,067 m³/d for first stage, expandable to 56,400 m³/d

Scope: Demolition of existing plant, Design, Engineering, Construction, Supply, Installation and Commissioning of new WWTP including construction of inflow collector & effluent pipeline; training of client's personnel and supervision of operation & maintenance (O&M) for a period of 12 months

Commissioning: 36 months' project execution, 12 months' supervision O&M. Start-up: 2029

This new contract marks our entry into a new market region, reinforcing our position as a trusted partner delivering innovative, high-quality solutions for sustainable water management, with a strategic focus on Europe and selected regions such as the South Caucasus, alongside our established home markets.

EGYPT

New orders for small/middle municipal Wastewater Treatment Plants as well as for a Pumping station for national water & wastewater organisation NOPWASD:

- El Amraya WWTP, Minya Governorate, 5/10 MLD Capacity
- El Badraman WWTP, Minya Governorate, 5/10 MLD Capacity

- El Atyate WWTP, 40 / 60 MLD
- El Kalabat WWTP 20 / 40 MLD, Asyut Governorate
- Awaga booster Pumping Station, Asyut Governorate

Increased focus on industrial water solutions

The growing expansion of industries such as semiconductors, data centers, photovoltaic (PV) solar, pharmaceuticals, and energy is driving increased demand for specialized and high-performance water treatment solutions. In response, we are actively pursuing opportunities in key growth markets across Southeast Asia, the UAE, and the Kingdom of Saudi Arabia (KSA), with a particular focus on Ultra-Pure Water (UPW) projects for the data center, semiconductor, and PV solar sectors.

Furthermore, these advanced water systems are designed to meet stringent process and quality requirements while supporting sustainability objectives, resource efficiency, and long-term operational cost optimization. As industries continue to prioritize reliability and environmental stewardship, demand for integrated and technology-driven water solutions is expected to grow significantly.

ACKNOWLEDGEMENTS

Your Board places on record its sincere appreciation and deep gratitude to the Banks, Financial Institutions, Lenders, JV Partners, Business Associates, Customers, corporate partners, and shareholders for their unwavering trust and continued cooperation. The Directors also extend their sincere thanks to the central and state Government Authorities in India and overseas, Regulatory and Statutory bodies and municipalities for their sustained support.

Further, the Directors also express their heartfelt appreciation both to the employees of the Company and the larger WABAG Group for their relentless commitment, dedication and vital contribution towards the ongoing growth and success of the organisation.

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, 2026
Place: Chennai

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 2025-26	- Mr. Rajiv Mittal, Chairman and Managing Director – 65.36:1 - Mr. S. Varadarajan, Whole Time Director & Chief Growth Officer – 35.02:1 - Mr. Milin Mehta, Independent Director – 2.22:1 - Mrs. Vijaya Sampath, Independent Director – 2.22:1 - Mr. Ranjit Singh, Independent Director – 2.22:1 - Mr. Amit Goela, Non-Executive Non-Independent Director – 2.22:1
ii) The percentage increase in remuneration* of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the FY 2025-26	- Chairman & Managing Director – 21.76% - Whole Time Director & CGO – 24.63% - Other Directors – 11.11% - CEO - India Cluster – 12.59% - Chief Financial Officer (CFO) – 33.81% - CFO – India Cluster – 33.78% - Company Secretary & Compliance Officer – 7.48%
iii) The percentage increase in the median remuneration of employees in the FY 2025-26	-0.44%
iv) The number of permanent employees on the rolls as on March 31, 2026	1,234
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 10.55% and the average percentile increase in the managerial remuneration in the last FY is 10.65% 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 Nomination, Evaluation and Remuneration Policy of the Company.
vii) A statement showing the name of top ten (10) employees of the Company in terms of remuneration drawn	Pursuant to Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, disclosures with respect to the remuneration of Directors, KMP and employees, are enclosed as Annexure - I(A) to the Board's Report.
A statement showing the name of every employee of the Company, who	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.
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 Lakhs.	
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 lakhs and fifty thousand per month	

*Remuneration does not include the deemed benefit on exercise of options under the Company's ESOP Scheme 2023, as there is no cost to the Company.

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

Date: May 21, 2026
Place: Chennai

Milin Mehta
Independent Director
(DIN: 01297508)

Rajiv Mittal
Chairman and Managing Director
(DIN: 01299110)

Annexure – II

Form MR 3 Secretarial Audit Report for the financial year ended March 31, 2026

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A (1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
VA TECH WABAG LIMITED
(CIN: L45205TN1995PLC030231)
"WABAG House", No. 17, 200 Feet
Thoraipakkam - Pallavaram Main Road,
Sunnambu Kolathur, Chennai – 600 117,
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, 2026** ("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, 2026 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, 2025 regarding the Companies Act, 2013 and dealing with clients;
- 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 provisions/ clauses of the following:

- i. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as applicable to the Company listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE'); 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, Secretarial 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 (7) days in advance for meetings other than those held at shorter notice with the consent of all the Directors/Members, 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 the 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 during the audit period the Board of Directors of the Company, *inter alia*, had:

- a. allotted 1,19,167 equity shares consequent to exercise of stock options vested under the WABAG Centenary Stock Option Scheme 2023 of the Company on various dates.
- b. recommended a final dividend of INR 4.00/- per equity share of INR 2/- each (200%) for the year ended March 31, 2025 out of profits of the FY 2024-25 at the Board Meeting held on May 21, 2025, subject to the approval of the Members at the ensuing 30th Annual General Meeting.
- c. approved the proposal for investment and incorporation of a Joint Venture Company between VA TECH WABAG LIMITED and PEAK SUSTAINABILITY PARTNERS LLP under the name

and style of "GHAZIABAD BIOENERGY PRIVATE LIMITED" and the said subsidiary Company was incorporated effective from February 16, 2026.

- d. approved the proposal for investment and incorporation of a Special Purpose Vehicle (SPV) Company under the name and style of "NORTHCHENNAI TRUWATER PRIVATE LIMITED" and the said wholly owned subsidiary Company was incorporated effective from April 01, 2026.

We further report that during the audit period, the shareholders of the Company at the 30th Annual General Meeting held on August 12, 2025, *inter alia*, had

1. passed an ordinary resolution under Sections 179, 204 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, and pursuant to Regulation 24A and other applicable provisions of the SEBI LODR, for appointment of M/s. M Damodaran & Associates LLP., Practicing Company Secretaries, Chennai (Firm Registration No.L2019TN006000) (Peer review Certificate No.3847/2023) as the Secretarial Auditors of the Company for a term of five (5) consecutive years, commencing from the FY 2025-26 till the FY 2029-30.
2. approved the declaration of final dividend of INR 4.00/- per equity share for the year ended March 31, 2025.

M. DAMODARAN
Managing Partner

M DAMODARAN & ASSOCIATES LLP

Membership No.: 5837

COP.No.: 5081

FRN: L2019TN006000

PR 3847/2023

Place: Chennai

Date: May 21, 2026

ICSI UDIN:F005837H000425146

*(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

ICSI UDIN:F005837H000425146

Place: Chennai
Date: May 21, 2026

Annexure – III

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 - AOC -I)

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, 2026	SGD	210	617	1135	308	-	1,061	12	(1)	10	-	100%
2	VA Tech Wabag (Philippines) Inc., Philippines	May 05, 2011	March 31, 2026	PHP	9	102	1,066	955	-	65	(8)	(9)	(17)	-	100%
3	VA Tech Wabag Limited Pratibha Industries Limited JV, Nepal*	August 12, 2016	March 31, 2026	NPR	-	47	59	12	-	9	2	(0)	1	-	NA
4	Wabag Muhibbah JV SDN BHD., Malaysia	September 14, 2015	March 31, 2026	MYR	558	(423)	215	80	-	0	(29)	-	(29)	-	70%
5	VA Tech Wabag Muscat LLC., Oman	April 10, 2011	March 31, 2026	OMR	18	17	70	35	-	96	7	-	7	-	70%
6	Wabag Belhasa JV WLL, Bahrain	December 24, 2015	March 31, 2026	BHD	1	152	458	306	-	318	105	-	105	-	49%
7	VA Tech Wabag and Roots Contracting LLC, Qatar	March 29, 2015	March 31, 2026	QAR	3	6	16	7	-	-	-	-	-	-	60%
8	DK Sewage Project Private Limited, India	September 26, 2019	March 31, 2026	INR	-	-	-	-	-	-	-	-	-	-	100%#
9	Ghaziabad Water Solutions Private Limited, India (Formerly known as Digma STP Projects Private Limited)	April 30, 2020	March 31, 2026	INR	17	(187)	1,970	2,140	-	172	(10)	3	(7)	-	100%
10	Kopri Bio Engineering Private Limited, India	November 27, 2020	March 31, 2026	INR	-	-	-	-	-	-	-	-	-	-	51%
11	VA Tech Wabag GmbH, Austria	June 26, 1990	March 31, 2026	EUR	108	4,326	7,196	2,762	30	3,755	199	12	211	-	100%
12	VA Tech Wabag Deutschland, GmbH Germany	February 02, 2014	March 31, 2026	EUR	25	(25)	-	-	-	-	-	-	-	-	100%
13	VA Tech Wabag Tunisie S.A.R.L., Tunisia	December 22, 2016	March 31, 2026	EUR	69	366	2,579	2,144	-	1,516	195	(39)	156	-	100%
14	VA Tech Wabag Su Teknolojisi Ve Tic. A.S. Turkey	October 06, 2010	March 31, 2026	EUR	164	(413)	31	281	-	192	8	(3)	4	-	100%
15	Ghaziabad Bioenergy Private Limited, India	February 16, 2026	March 31, 2026	INR	01	-	-	-	-	-	-	-	-	-	51%

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

Economic interest held by the Company is 49.8% and 100% Equity is held by the Company NORTH CHENNAI TRU WATER PRIVATE LIMITED, a Wholly Owned Subsidiary Company was incorporated on April 01, 2026 and yet to commence its business operations

Note: Exchange rate used for Balance Sheet items is the rate as on 31st March 2026 and for Profit and Loss account items, the rate used is the average rate for the Financial Year 2025-26

Currency	Rate for Balance Sheet Items (INR)	Rate for Profit & Loss Account items (INR)
1SGD	72.83	68.56
1PHP	1.55	1.53
1NPR	0.62	0.63
1MYR	23.21	21.26
1THB	2.59	2.34
1OMR	244.13	229.72
1BHD	248.60	234.36
1BRL	15.40	15.55
1EUR	107.99	102.47

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 Project Private Limited, India	Ganga STP Project Private Limited, India
Latest audited Balance Sheet Date	March 31, 2026	March 31, 2026	March 31, 2026	March 31, 2026
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	29,499,999 [^]	18,264,999 [^]
Amount of Investment in Associates/Joint Venture	2	25	295	183
Extent 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	48	310	293
Profit / (Loss) for the year				
Considered in Consolidation	2	20	(32)	17
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

VA TECH WABAG LIMITED

Milin Mehta

Independent Director
(DIN: 01297508)

Rajiv Mittal

Chairman and Managing Director
(DIN: 01299110)

Date: May 21, 2026

Place: Chennai

Skandaprasad Seetharaman

Chief Financial Officer

Anup Kumar Samal

Company Secretary & Compliance Officer
(Membership No. FCS 4832)

Annexure – IV

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES FOR THE FY 2025-26

[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 programmes 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.
- WABAG has been recognized with the 'Best Social Welfare Initiative of the Year' at the 14th Edition of the CSR Summit & Awards 2025, held on August 26, 2025 in Chennai
- WABAG conferred the CSR TIMES AWARD 2025 (GOLD) under Industry Partnership Model in Skill Development, in recognition of its contribution to Viksit Bharat 2047 through NAPS & NATS initiatives.
- WABAG conferred with the "Organisation with Sustainable Practice" award at the World CSR Congress, recognising its ESG-aligned CSR initiatives and commitment to Viksit Bharat 2047.

Recognition for WABAG's CSR Projects @ CSR Good Book 2025

WABAG delighted to be part of the "CSR Good Book 2025 Launch" and Conference on the theme "Role of Corporations in Achieving the UN's Sustainable Development Goals (SDGs) through Trusteeship", held on October 01, 2025 at India International Centre, New Delhi.

Organized by the "Mahatma Foundation" and supported by Aditya Birla Group, L&T, Power Grid Corporation, and Live-week Publications, the event brought together eminent CSR leaders, policymakers, and sustainability advocates from across India.

Our CSR vision continues to echo our purpose: **"Sustainable Solutions for a Better Life."**



During the FY 2025-26, WABAG implemented the following CSR projects.

Project 1: Project under Industry Partnership Model:

In accordance with the notification issued by the Government of India, Ministry of Skill Development and Entrepreneurship, WABAG implemented a Corporate Social Responsibility (CSR) initiative under the provisions of the Apprenticeship Act. As part of this initiative, the organization engaged apprentices in compliance with the mandated minimum requirements and provided structured training.

During the FY 2025-26, WABAG engaged approximately 171 apprentices, thereby meeting and fulfilling the statutory minimum obligations prescribed under the Apprenticeship Act.

For the FY 2026-27, a total of ~174 Graduate Engineer Trainees (GETs) will be onboarded as interns. These trainees are scheduled to undergo a structured training program with a duration of eight (8) months, as outlined below. A mirrored rotation strategy ensures that all participants gain both operational (field-based) and strategic (corporate) perspectives, enabling holistic capability building and better alignment between execution and decision-making functions. Management Trainee 2026 (22 trainees) and Diploma Engineer Trainee 2026 (71 trainees) are scheduled to be onboarded.

	INTERNSHIP PERIOD	TRAINING PERIOD
Batch/Timeline	Feb'26-May'26	Jul'26-Oct'26
Batch 1	EPC Sites - 34; O&M Sites - 41;	HO-60; PRO-10; NRO-5
Batch 2	HO-68; PRO - 23; NRO - 7	EPC Sites - 45; O&M Sites -53;

Glimpses of the Apprentices Training Program:

WABAG is committed to providing a holistic training experience, combining interactive engagement with structured learning methodologies to build technical competence and professional skills among apprentices.



The Apprentices Training Program, highlight both interactive learning and structured classroom sessions. They include facilitate engagement sessions where participants actively involved, indicating a focus on communication, collaboration, and experiential learning. Participant

interaction demonstrates active participation and yearning towards continuous learning.



A total of 22 training sessions were conducted, reaching 335 participants and delivering 1299 learning hours. Behavioural training, reached a larger audience of 199 participants and contributed significantly to total learning hours (816), indicating a focus on large-group capability building around soft skills and workplace behaviours. Technical training, on the other hand, involved 15 sessions for 136 participants, suggesting more specialized, role-specific learning in smaller groups, contributing 483 learning hours. Overall, the data reflects a balanced L&D approach that combines broad-based behavioural development with targeted technical skill enhancement.

Trainings	Training Count	Actual Trained	Learning Hours
Behavioral	7	199	816
Technical	15	136	483
Total	22	335	1299

Project 2: Kalagi (Karnataka State) Rural Water Automation

WABAG sponsored this project on a voluntary basis through Nimble Vision for connecting Well to OHT wireless using IoT and Cloud, at a cost of INR 1.78 Lakhs approximately. This project has resulted in reduced motor failures, reduced maintenance costs, improved water accountability & auditability, optimized energy and ground water usage, centralized visibility for operators and authorities.

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 the 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	3	3
2	Mr. Ranjit Singh	Independent Director - Member	3	3
3	Mr. Amit Goela	Non-Executive Non-Independent Director – Member	3	3
4	Mr. S. Varadarajan	Whole Time Director & Chief Growth Officer - Member	3	3

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/2025/07/CSR-Policy.pdf>;

<https://www.wabag.com/corporate-social-responsibility/>; and

<https://www.wabag.com/board-committees/>

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 251.94 Crores**
 - b) Two percent of average net profit of the Company as per Section 135(5): **INR 5.04 Crores**
 - 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 5.04 Crores**
6.
 - a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **INR 5.19 Crores**
 - b) Amount spent in Administrative Overheads: **NIL**
 - c) Amount spent on Impact Assessment, if applicable: **NIL**
 - d) Total amount spent for the financial year [(a)+(b)+(c)]: **INR 5.19 Crores**
 - e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year	Amount Unspent (in INR Crores)				
	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
5.19	NA	-	NA	-	NA

- f) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in INR Crores)
i	Two percent of average net profit of the Company as per Section 135(5)	5.04
ii	Total amount spent for the financial year	5.19
iii	Excess amount spent for the financial year [(ii)-(i)]	0.15
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)]	0.15

7. Details of Unspent CSR amount for the preceding three financial years:

Amount (in INR Crores)

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(5), if any		Amount remaining to be spent in succeeding financial years	Deficiency, if any
					Amount	Date of transfer		
1	2024-25	Nil	-	-	-	-	-	-
2	2023-24	Nil	-	-	-	-	-	-
3	2022-23	Nil	-	-	-	-	-	-

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 – Not Applicable

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)		
					CSR Registration Number, if applicable	Name	Registered Address
-	-	-	-	-	-		

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

Date: May 21, 2026
Place: Chennai

Vijaya Sampath
Chairperson - CSR Committee
(DIN: 00641110)

Rajiv Mittal
Chairman and Managing Director
(DIN: 01299110)

Annexure – V

FORM AOC-2

PARTICULARS OF CONTRACTS / ARRANGEMENTS MADE WITH RELATED PARTIES

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

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	
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	Not applicable since there were no contracts or arrangements or transactions entered into during the year ended March 31, 2026 which were not at arm's length basis.
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	
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	Not applicable since there were no material contracts or arrangements or transactions entered into during the year ended March 31, 2026.
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, 2026
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;	
(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)	The details on R&D efforts and technology absorption are disclosed in the Management Discussion & Analysis and in theme section forming part of this report.
(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 47.19 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)	
	2025-26	2024-25
Earnings in Foreign Currency	1,87,206	172,902
Expenditure in Foreign Currency	1,07,343	78,297

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

Date: May 21, 2026
Place: Chennai

Milin Mehta
Independent Director
(DIN: 01297508)

Rajiv Mittal
Chairman and Managing Director
(DIN: 01299110)

Management Discussion and Analysis Report

Economic Overview

Global Economy¹

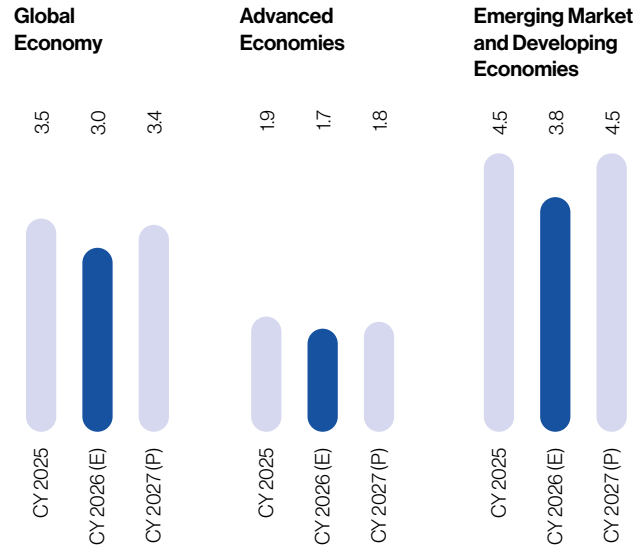
In CY 2025, the global economy grew by 3.5%, navigating heightened trade tensions and policy uncertainty. This performance was underpinned by stockpiling of goods, strong risk appetite and a surge in artificial intelligence (AI)-related investment. Improvements in supply chain constraints and a gradual moderation in labour market pressures contributed to a decline in inflation to 4.1%.

Growth followed a divergent trend across economies. Advanced economies recorded a growth of 1.9%, whereas emerging economies expanded by 4.5%, supported by monetary easing and fiscal stimulus in East Asia. Global financial conditions remained broadly accommodative, notwithstanding volatility and rising sovereign yields. Overall, the resilience observed to date has been concentrated in a limited number of sectors and supported by accommodative macroeconomic policies, leaving it vulnerable to sector-specific disruptions and the materialisation of broader structural risks.

Outlook²

Global economic growth is expected to remain tepid and projected at around 3.0% in CY 2026. Although evolving trade policies continue to create uncertainty, ongoing policy support and corporate resilience are expected to underpin ongoing momentum. The growth in Middle East and Central Asia is expected to slow down due to this situation. However, accelerated non-oil infrastructure investments and regional diversification initiatives are expected to buffer the impact. These efforts will support a strong economic recovery by CY 2027. As a result, economies worldwide are expected to follow a cautious growth trajectory. Sustained long-term growth and stability will depend on deeper trade integration, timely structural reforms and investment-led expansion across emerging markets.

Global GDP Growth Projection (%)



E – Estimate; P – Projection

Source: [IMF World Economic Outlook](https://www.imf.org/en/publications/weo/issues/2026/07/08/world-economic-outlook-update-july-2026)

Indian Economy

India's economy sustained strong growth momentum in FY 2025–26, expanding by 7.7%, supported by robust fixed investment and favourable rural conditions. This performance positioned the country among the fastest-growing major economies worldwide. Inflation moderated significantly, averaging 3.4%, and remained well within the RBI's target range of 2%–6%, supported by lower input costs and improved supply conditions.³

On the demand side, growth was further reinforced by consumer spending, with income tax relief and GST rationalisation measures contributing to higher disposable incomes. Strong agricultural output bolstered rural incomes and consumption, while improving urban demand indicates a broadening of the consumption base. Further, government-led initiatives, particularly the PLI schemes across 14 sectors, have played a catalytic role, attracting over ₹2.0 lakh crore of actual investment.⁴

¹<https://www.imf.org/en/publications/weo/issues/2026/07/08/world-economic-outlook-update-july-2026>

²<https://www.imf.org/en/publications/weo/issues/2026/07/08/world-economic-outlook-update-july-2026>

³<https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/BULLETINJUNE22062026C6FB415DA85745E485148DAD8FOA1912.PDF>

⁴<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2220800®=3&lang=1>

The Government of India has also undertaken several initiatives to promote water conservation and ensure the long-term sustainability of water resources. Key programmes such as Jal Jeevan Mission and Jal Shakti Abhiyan have been central to these efforts. The Jal Jeevan Mission has significantly improved access to clean tap water to rural households, while Jal Shakti Abhiyan focuses on rainwater harvesting, groundwater recharge and encouraging public participation to strengthen water conservation across the country.

Outlook⁵

Despite global unpredictability and geopolitical unrest, India's economy demonstrated resilience. Real GDP registered growth at 7.7%. Growth is backed by resilient domestic demand, steady service activity and expanding digital and IT investment. Consumer price inflation is estimated at 5.1%, supported by improved supply-side conditions and fiscal measures, including GST rate rationalisation.

Amid ongoing geopolitical disruptions, services exports have emerged as a key stabilising force for India's external sector, helping to mitigate vulnerabilities and maintain trade stability. Further, the RBI is expected to manage liquidity proactively, ensuring adequate funds in the banking system, smooth policy transmission and preparedness for unexpected changes. In parallel, India's expanding network of trade agreements continues to enhance market access for its services sector, facilitating greater mobility for professionals and creating new opportunities across a broad spectrum of services.

Sustaining this trajectory will require continued investment, greater private sector participation and alignment of infrastructure development with key priorities such as decarbonisation, digitalisation and resilience.

GDP Growth Trend in India (%)



FRE - First Revised Estimate; PE - Provisional Estimate; P - Projected

Source: [RBI Bulletin](#)

Industry overview (Industry Structure, Developments, Strengths, Weaknesses, Opportunities, Threats etc.)

Global Water Industry⁶

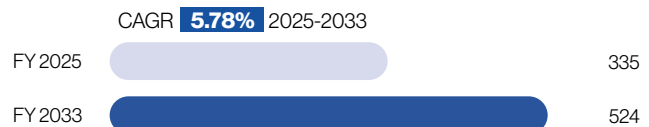
The global water market recorded strong growth, driven by rising population levels, rapid urbanisation and increasing demand for water. At the same time, challenges such as water scarcity and stringent environmental regulations governing wastewater treatment are compelling governments and businesses to invest in advanced water and wastewater management technologies.

The Asia-Pacific region is the fastest-growing market, supported by major infrastructure development in countries such as China and India. Across regions, the industry is increasingly oriented towards sustainability, with greater emphasis on water reuse, desalination and digital water management to ensure long-term water security.

Overall, the market continued to expand steadily, supported by rising demand for clean water across urban centres, industrial applications and agriculture. It is projected to reach around \$524 Billion by 2033, reflecting sustained growth in the coming years.

The Global Water Market

Water Market Value (\$ Billion)



Source: [Cognitive Market Research & Consulting](#)

Global Water Treatment Industry Overview⁷

Growth in the global water treatment market is primarily driven by rising concerns about water scarcity and pollution, alongside the rising demand for clean water across industries and municipalities. The adoption of advanced treatment technologies has accelerated, while countries continue to modernise ageing infrastructure and develop new facilities to support urban expansion and public health requirements.

Water-intensive sectors such as oil and gas, pharmaceuticals, food and beverage and power generation require significant volumes of purified water to meet operational needs and comply with strict environmental regulations. Consequently, solutions such as wastewater recycling, zero-liquid discharge (ZLD) and desalination are gaining wider acceptance, particularly in regions facing limited freshwater availability.

The Asia Pacific region accounted for the largest share of the water treatment market in 2025, driven by rapid population growth and industrialisation. Countries including India, China, Indonesia and Vietnam have a high demand for clean water. Accelerating urbanisation and industrial activities have contributed to rising water pollution levels, prompting governments and industries to invest in solutions such as sewage treatment plants (STPs) and wastewater recycling systems.

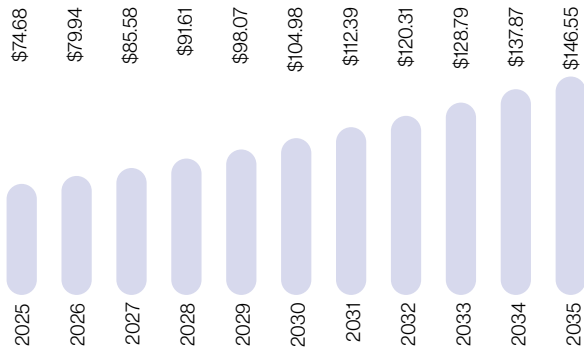
The global water treatment market size accounted for \$ 74.68 Billion in 2025 and is predicted to increase from \$ 79.94 Billion in 2026 to approximately \$ 146.55 Billion by 2035, expanding at a CAGR of 6.97% from 2026 to 2035. The industry remains highly competitive, with leading players focusing on innovation, technological advancement and the expansion of integrated service capabilities. As demand for efficient and sustainable treatment solutions increases, companies are prioritising enhanced treatment performance, operational efficiency and service diversification to strengthen their market position.

⁵ <https://rbidocs.rbi.org.in/rdocs/Bulletin/PDFs/BULLETINJUNE22062026C6FB415DA85745E485148DAD8F0A1912.PDF>

⁶ <https://www.cognitivemarketresearch.com/water-market-report?utm>

⁷ <https://www.precedenceresearch.com/water-treatment-market?utm>

Water Treatment Market Size 2025 to 2035 (USD Billion)



Source: [Precedence Research](#)

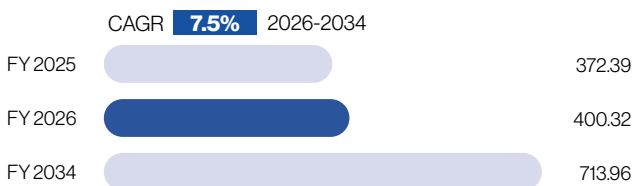
Global Wastewater Treatment Industry⁸

Water and wastewater treatment play a critical role in addressing the growing demand for clean water across municipal, agricultural and industrial applications. A significant proportion of the global population resides in regions experiencing acute water stress. Given that only 2.5% of the Earth's water resources are freshwater, many countries are increasingly adopting desalination technologies to convert seawater into usable freshwater⁹.

With ongoing industrial modernisation, the demand for smart and advanced water treatment technologies continues to rise. These technologies enable compliance with stringent regulatory standards, improve water quality and optimise operational efficiency. Concurrently, governments are enforcing tighter environmental regulations to control water pollution, compelling industries and municipalities to upgrade treatment infrastructure.

Water and Wastewater Treatment Market

Market Size (\$ Billion)



Source: Fortune Business Insights

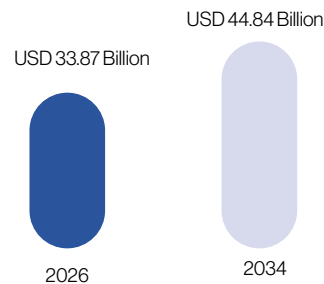
Global Industrial Wastewater Treatment Overview¹⁰

The industrial wastewater treatment market has witnessed significant growth in recent years, propelled by rising industrial pollution, strict regulations and increasing environmental concerns. Industries are progressively adopting advanced technologies to manage wastewater efficiently. There is also a shift towards modular and decentralised systems, which provide greater flexibility and cost efficiency. In addition, ZLD systems are becoming more prevalent in water-scarce regions, while digital technologies and IoT are enhancing operational capabilities in treatment plants.

The market is expected to reach \$44.84 Billion by 2030, growing at a CAGR of 7.3%. The Asia Pacific region leads the market and is expected to register faster growth, with countries like China and India introducing stringent wastewater discharge regulations.

Industrial Wastewater Treatment Market

Market forecast to grow at a CAGR of **7.3%**



Source: [Fortune Business Insights](#)

Global Desalination Market Overview¹¹

The global water desalination market was valued at \$ 10.65 Billion in 2025 and is expected to grow from \$ 11.78 Billion in 2026 to about \$ 26.49 Billion by 2034. Rising populations and increasing demand are key drivers of the expanding use of desalination plants.

The global water desalination market is segmented by technology into reverse osmosis (RO), multi-stage flash (MSF), multi-effect distillation (MED) and others. Regionally, the Middle East and Africa lead the desalination market due to high water demand and limited freshwater resources, while the Asia Pacific region is witnessing rapid growth.

Governments and industries are prioritising desalination to secure reliable water supplies, especially in dry and water-scarce regions. Advanced technologies, such as smart monitoring and predictive maintenance, are enhancing operational efficiency and reliability. As global water demand continues to grow, desalination is expected to remain a critical solution, with the market continuing to grow in response to the need for reliable and high-performance water treatment solutions.

⁸<https://www.fortunebusinessinsights.com/water-and-wastewater-treatment-market-102632>

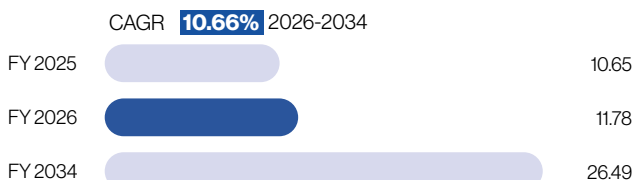
⁹<https://www.noaa.gov/education/resource-collections/freshwater/water-cycle>

¹⁰<https://www.researchandmarkets.com/reports/5865951/industrial-wastewater-treatment-market-report?srsltid=AfmBOorQ0ZehpYYWu2cTmS1MKPTqIwF8qUwzYPwa0diwEFzLnaMRG>

¹¹<https://www.fortunebusinessinsights.com/water-desalination-market-104927?utm>

The global water desalination market

Value (\$ Billion)



Source: [Fortune Business Insights](#)

Demand Drivers

Rising Demand for Clean Water

Rapid urbanisation and industrial growth are intensifying pressure on existing water sources, leading to a growing demand for clean drinking water. Many regions are already facing water shortages, a challenge that is expected to worsen in the coming years. Consequently, alternatives solutions such as desalination are becoming increasingly vital, driving higher investment in desalination projects and supporting market growth as governments prioritise safe and reliable water supplies.

Government Initiatives and Funding

Governments worldwide recognise the importance of alternative water sources and are supporting desalination projects through policies, subsidies and financial incentives. Several countries have integrated desalination in their national water plans. This backing facilitates the construction of new plants and the enhancement of existing facilities, leading to strong growth in the desalination market.

Environmental Concerns and Sustainability

Environmental sustainability is playing an increasingly prominent role in the desalination market. The integration of renewable energy sources, such as solar and wind power, makes desalination a cleaner and more environmentally friendly solution to address water shortages. This shift has attracted increased investment from both governments and private companies.

Increasing Water Scarcity

Rising populations and industrial water demand are reducing the availability of freshwater, intensifying water scarcity. This is leading to higher investment, especially in drought-prone areas, and expanding the market.

Technological Advancements

Innovations in desalination technology are enhancing efficiency and reducing costs. Methods such as reverse osmosis and energy-saving systems lower energy consumption and operational expenses. As these technologies advance, they attract further investment and facilitate broader adoption of desalination across different regions.

¹²<https://businessbase.com/water-industry-in-india/>

¹³<https://ejalshakti.gov.in/jimreport/UJMIndia.aspx>

India's Water Sector Overview

Rapid urbanisation, climate pressure, industrial growth and rising water demand have made the water sector a central focus of government planning and investment. The sector encompasses drinking water, sanitation, wastewater treatment, desalination and industrial water management. By 2026, India's water industry is expected to be worth around ₹6.0–6.5 trillion, covering water supply systems, sewage and wastewater treatment, irrigation, and industrial water solutions¹².

Technological innovation is reshaping India's water systems, with IoT, AI and smart systems enabling leak detection, demand forecasting and improved operational efficiency. AI and data analytics are increasingly applied to predictive maintenance, asset management and optimisation of water resources. Rising freshwater stress has made desalination an essential component, while wastewater recycling and reuse are promoting more efficient and circular water usage in urban and industrial settings. Collectively, these technologies are enhancing efficiency, transparency, and sustainability across the sector.

Groundwater remains critical, accounting for nearly 99% of Earth's liquid freshwater. In India, it serves as the primary source for agriculture and drinking water. However, rapid population growth, increased agricultural activity, industrial expansion and urbanisation are placing considerable pressure on groundwater resources, underscoring the importance of sustainable water management.

While State Governments oversee water administration, the Central Government, through the Ministry of Jal Shakti, provides technical guidance, funding and schemes aimed at conservation, regulation and sustainable management.

Groundwater Usage

62%

of water used for
farming (irrigation)

85%

of drinking
water in rural areas

50%

of the water
supply in cities

Source: [Strengthening Groundwater Management for India's Water Future](#)

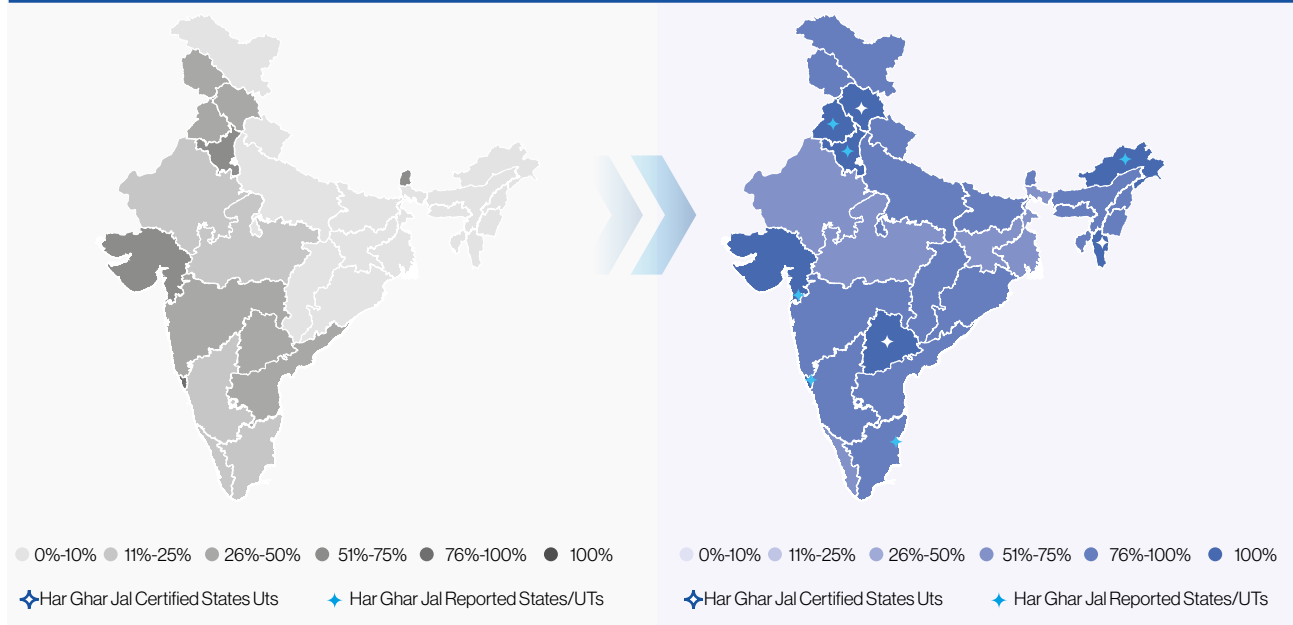
Key initiatives

Jal Jeevan Mission (Har Ghar Jal)

India has attained a significant milestone under the Jal Jeevan Mission, with over 15.89 crore (82.09%) of rural households now having access to clean tap water¹³. This progress underscores the nation's continued commitment to universal rural drinking water coverage.

Launched in 2019, the Mission has focused on building water infrastructure, improving water management and promoting community participation, leading to better health, sanitation and living conditions in rural areas. Moreover, the Union Budget 2026–27 has allocated ₹67,670 crore for the Mission, which has been extended till 2028.

Status of tap water supply in rural homes under JJM



Source: [Jal Jeevan Mission - Har Ghar Jal](#)

Since Launch

3.23 crore rural households with FHTCS

Current Status

15.89 Crore rural households with FHTCS

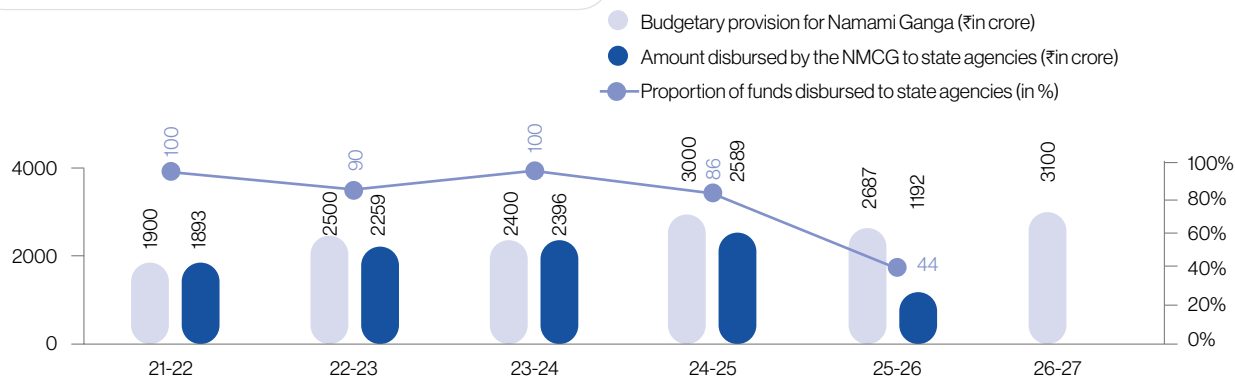
Note: FHTCS – Functional Household Tap connection

The Namami Gange Programme

The Namami Gange Programme is an Integrated Conservation Mission, approved as a 'Flagship Programme' by the Union Government in June 2014. Its dual objectives are the effective abatement of pollution and the conservation and rejuvenation of the National River Ganga.

Under this Programme, a total of 173 Sewage Treatment Plants (STPs) have been commissioned and are currently operational as on January 2026, a total of 8 sewerage infrastructure projects have been taken up with a treatment capacity of 280 million Litres per Day (MLD) for the rejuvenation of Kali West and Hindon rivers. In Union Budget 2026-27, ₹3,100 crore was allocated to the scheme, maintaining a continued focus on cleaning, protecting and restoring the Ganga River system¹⁴.

Trends in GoI allocations for Namami Gange



Source: [Namami Gange Programme](#)

¹⁴https://www.resgov.org/contents/reports/130_Namami%20Gange%20Programme.pdf

AMRUT 2.0

The Atal Mission for Rejuvenation and Urban Transformation 2.0 (AMRUT 2.0), launched on 1 October 2021, extends to all Urban Local Bodies (ULBs) and aims to make cities self-reliant and water secure. A key focus is providing universal coverage of sewerage and septage management across 500 AMRUT cities. The mission also prioritises the rejuvenation of water bodies, the development of green spaces and parks, and overall urban sustainability.

Under AMRUT 2.0 guidelines, cities with a population exceeding 10 lakhs are required to implement at least 10% of projects through the Public-Private Partnership (PPP) model. To date, 18 PPP projects worth ₹6,451.18 crore have been approved in these cities¹⁵.

Progress under AMRUT

Sewerage and Septage | No. of Projects 583 | Cost ₹ 66,117.69

6,649 MLD

Sewage Treatment Capacity

34,548 km

Sewer Lines

65 Lakh

Household Sewer Connection

Source: [Funding pattern for Amrut](#)

National River Conservation Plan (NRCP)

The cleaning and rejuvenation of rivers is supported by the central government under the National River Conservation Plan (NRCP) (excluding Ganga and its tributaries). The plan focuses on reducing pollution by building sewage systems, setting up treatment plants and managing waste before it enters rivers. During the year, a project to rehabilitate the sewerage system in Singtam Town, Sikkim was approved at a cost of ₹39.03 crore, including the creation of a 3 MLD sewage treatment capacity and associated sewerage infrastructure to reduce pollution in the Teesta River¹⁶.

National Infrastructure Pipeline

Launched in August 2020, the National Infrastructure Pipeline (NIP) aims to develop world-class infrastructure across India and improve the quality of life. It identifies investment opportunities, enhances project planning and attracts investments for both greenfield and brownfield projects. Currently, India consumes about 750 Billion cubic meters of freshwater annually, projected to rise to 1.5 trillion cubic meters by 2030, highlighting the urgent need for water-related infrastructure to meet growing demand¹⁷.

SEA Region:

Rapid urbanization, industrial growth and rising focus on water security continue to position the South East Asia as one of the fastest-growing markets for advanced water and wastewater solutions. Backed by the government investment plans, the region is expected to witness US\$180–230 Billion in water and wastewater infrastructure investments over the next five years in urban water supply, wastewater treatment, water reuse, desalination and climate-resilient infrastructure. National development programmes across Indonesia, Vietnam, Philippines, Malaysia, Thailand and Singapore supported by the Asian Development Bank, the World Bank and other multilateral institutions are accelerating public investment and public-private partnerships.

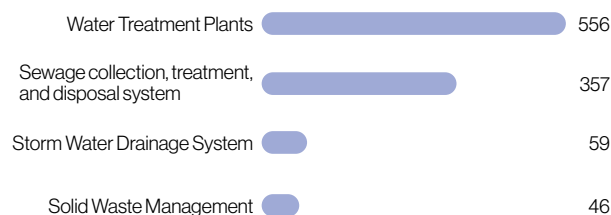
Middle-East Region:

The Middle East presents a US\$180–250 Billion water infrastructure opportunity over the next five years, driven by government investments in water security, desalination, wastewater treatment, water reuse and sanitation. Strategic initiatives such as Saudi Vision 2030, the National Water Strategy 2030, the UAE Water Security Strategy 2036, Oman Vision 2040, and Jordan's National Water Carrier are accelerating investments through Independent Water Projects, public-private partnership initiatives and sovereign funding. Coupled with increasing urbanization, industrial growth, climate adaptation and rising demand for water reuse, these programmes position the Middle East as one of the world's most attractive markets for advanced water and wastewater solutions.

Africa Region:

Africa represents a significant long-term growth opportunity for the water and wastewater sector, driven by rapid urbanization, industrialization, climate resilience initiatives, and increasing investments in sustainable water infrastructure. Backed by the G20 Compact with Africa, the AfDB, the African Water Facility and the World Bank, the continent is expected to offer a water infrastructure opportunity exceeding US\$250–320 Billion over the next five years. With annual investment requirements of US\$50–64 Billion against current investments of only US\$10–19 Billion, the substantial financing gap is expected to accelerate public spending, multilateral funding, public-private partnerships, and private sector participation, creating a strong pipeline of opportunities across municipal water, wastewater treatment, water reuse, desalination, industrial water, and long-term operations and maintenance.

Sub-sector wise opportunities



Source: [Invest in Waste & Water Sector in India | IIG](#)

¹⁵<https://www.indiabudget.gov.in/doc/impbud2025-26.pdf>

¹⁶<https://www.pib.gov.in/PressReleasePage.aspx?PRID=2209732®=3&lang=1>

¹⁷<https://indiainvestmentgrid.gov.in/national-infrastructure-pipeline>

Company Overview

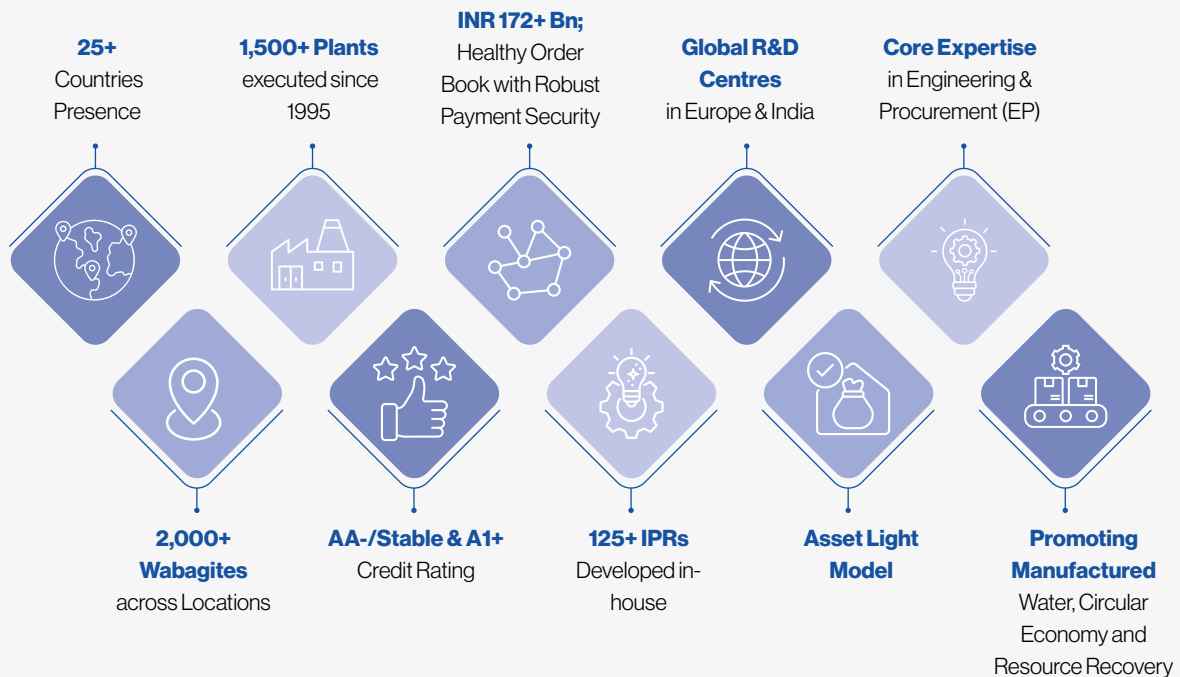
VA TECH WABAG LIMITED (WABAG), founded in 1924, is a global leader in water technology, delivering innovative and sustainable solutions for municipal and industrial applications. As a global water technology leader, the Company provides end-to-end water solutions tailored to diverse customer requirements across international markets. It is recognised among the world's top three private water operators and desalination plant suppliers, with projects benefiting millions globally.

Headquartered in Chennai, the Company operates across the entire water value chain from design, engineering, supply and construction to installation, commissioning and long-term operations under multiple business models. Driven by a strong culture of innovation, WABAG operates advanced research and development (R&D) centres in Europe and India and holds more than 125 Intellectual Property Rights (IPRs).

Aligned with the United Nations Sustainable Development Goals (SDGs) and robust ESG principles, the Company focuses on sustainable water management through conservation, resource optimisation, recycling and reuse. It continues to address global water challenges by delivering solutions that enable a more resilient, efficient and sustainable future.

Among the World's Top

3 Largest Private Water Operator, Touched 96+ Mn lives globally Desalination Plant Suppliers



SWOT Analysis



Strengths

Strong Technological Expertise

The Company possesses deep technological expertise in desalination, wastewater reuse and industrial water treatment, supported by strong global R&D infrastructure and a portfolio of over 125+ in-house IPRs.

Global Presence

WABAG has a well-diversified international footprint, operating in over 25 countries, with approximately 40–50% of its revenue derived from international projects. These help the Company reinforce its growing position in the global water industry.

Robust Order Book

The Company maintains a strong order book of INR 1,72,000 Million~, comprising a well-balanced mix of EPC and O&M projects, providing healthy revenue visibility and strengthening long-term client relationships.

Healthy Credit Profile

The Company's AA-/Stable credit rating reflects strong operating performance, supported by healthy profitability and a robust order pipeline, providing revenue visibility and enabling sound credit metrics.

Asset-light Business Model

WABAG follows an asset-light model, focusing on engineering and procurement while outsourcing construction activities, thereby optimising capital efficiency.



Weaknesses

Elongated Contract Award Cycles

The Company operates in the water infrastructure sector where project gestation is long leading to elongated contract award cycles. The Company's diversified presence across 25+ countries and multiple segments enables to counter the same.

Exposure to the Cyclical Sector and Forex risk:

Operating within a cyclical and competitive infrastructure sector, the Company's profitability remains sensitive to fluctuations in raw material prices and foreign exchange movements. The Company's geographical and customer diversification enables managing business cycles effectively. The Company relies on natural hedge due to its international presence, Forex hedging and effective Contract Management for efficient Forex Risk Management.



Opportunities

Growing Global Water Market

Rising water scarcity and increasing industrial and municipal demand are driving growth in desalination and water treatment, creating significant opportunities for the Company.

Favourable Government initiatives

Government initiatives such as Jal Jeevan Mission, along with funding support from multilateral agencies such as the World Bank and the Asian Development Bank (ADB), are accelerating sectoral growth and expanding project opportunities.

Shift Towards Engineering and Procurement (EP) Projects

A strategic shift towards higher-margin EP projects is expected to enhance profitability, improve cash flows and reduce working capital intensity.

Asset-Light Partnership Model

Expansion through strategic partnerships under an asset-light framework enables balance sheet optimisation while retaining long-term O&M and technology-driven revenue streams.



Threats

Intense Industry Competition

Strong competition from global and domestic players may exert pressure on WABAG's margins and market share. With 125+ proprietary IPRs, a Top 3 global position in desalination and private water operations, and a century-long track record, the Company differentiates itself through technology and innovation—not price.

Raw Material Price Volatility

Fluctuations in key input costs, including steel, speciality chemicals and membranes, along with supply chain disruptions, may impact margins, particularly in fixed-price EPC contracts. The Company mitigates this risk through strategic sourcing, long-term supplier partnerships, diversified procurement, prudent inventory management, contract provisions for price escalation, value engineering, and supply chain optimization to safeguard project margins and ensure timely execution.

Stricter Environmental Compliance

Increasingly stringent discharge norms, zero-liquid-discharge requirements and micro-pollutant standards may elevate compliance costs and technical complexity. Non-compliance could

High Dependence on the Municipal Segment:

Significant reliance on the municipal segment exposes the Company to public-sector risks, including procurement delays, extended payment timelines and policy or budgetary shifts. However, the Company participates in contracts backed by multi-lateral funding, federal government schemes and sovereign guaranteed projects to manage the risks associated with Municipal segment.

result in financial penalties and reputational risks. The Company continues to invest in advanced treatment technologies, strengthen regulatory compliance, and enhance R&D capabilities to address evolving discharge standards and minimize compliance risks.

Financial Performance Analysis for the Company for FY 2025-26

Total Order Book: INR 1,72,000 Million~

Financial Highlights: FY 2025-26 - Standalone

Particulars	(₹ in Million)		
	FY 2025-26	FY 2024-25	YoY Growth (in %)
Total Income (including Revenue from Operations and Other Income)	34,014	29,107	16.86
Profit After Tax (PAT)	3,344	2,713	23.30

Financial Highlights: FY 2025-26 - Consolidated

Particulars	(₹ in Million)		
	FY 2025-26	FY 2024-25	YoY Growth (in %)
Total Income (including Revenue from Operations and Other Income)	40,385	33,386	20.96
Profit After Tax (PAT)	3,698	2,948	25.44
Net Cash position (excluding HAM)	9,500	7,056	34.64

Key Financial Ratios as per SEBI Regulations:

Particulars	FY 2025-26	FY 2024-25	YoY Change (%)	Reasons for changes greater than 25%
Debtors' turnover ratio	1.23	1.20	2.5	-
Inventory Turnover Ratio	18.47	18.61	(0.7)	-
Debt Service Coverage Ratio (DSCR)	11.18	7.18	55.8	The increase in DSCR is mainly attributable to higher earnings during the year coupled with a reduction in debt servicing obligations compared to the previous year
Current Ratio	1.65	1.65	0	-
Debt Equity Ratio	0.04	0.13	(69.2)	Due to considerable reduction in debt in current year as compared to previous year.
Operating Profit Margin (%)	14.3	14.0	2.14	-
Net Profit Margin (%)	10.30	9.49	8.5	-
Return on Equity (RoE)	17.18	16.54	3.9	-

Risk and Concerns

WABAG operates in a dynamic business environment influenced by both internal and external factors. To manage this complexity, the Company has established a comprehensive risk management framework aligned with its business processes, scale of operations and regulatory requirements. This framework facilitates systematic identification, assessment and mitigation of potential risks, with periodic reviews by senior management to ensure continued effectiveness.

The Company is exposed to strategic, operational and financial risks. Key financial risks include interest rate volatility and foreign exchange fluctuations, particularly given that the Company operates in Indian Rupees. The Corporate Assurance Team collaborates closely with various business units to evaluate risk profiles and implement robust monitoring mechanisms across the organisation.

Human Resources

The Company regards its employees as a cornerstone of sustainable growth and is committed to nurturing an inclusive and performance-driven culture that supports continuous learning, talent development and employee engagement.

WABAG offers competitive compensation, ensures a safe and healthy workplace and recognises performance through structured reward and recognition programmes. It also encourages employees to participate in initiatives beyond their core responsibilities, promoting innovation and organisational growth. As of March 31, 2026, the Company's employee strength stood at 1234.

Extra Milers (EM)/ Emerging Talents (ET) Programme: As part of our commitment to nurturing future leaders, the Company has launched a dedicated programme aimed at identifying and developing high potential talent among trainees from our Graduate and Executive Training Programmes.

Young Entrepreneur Programme (YEP): The YEP is a strategic talent development initiative designed to identify high-potential young engineers and executives within the Company and groom them for mid-level leadership roles by enrolling them into Executive MBA course with premium institutes like the IIMs.

Leadership Excellence Programme (LEX): The LEX is an another flagship initiative aimed at identifying and developing high potential talent among Managers and Deputy General Managers to prepare them for senior leadership roles within the Company.

High-Potential Leadership Development Programme (Hi-Pot under 40): As part of our Global Talent Architecture framework, the Hi-Pot-Under 40 Programme is a strategic initiative aimed at strengthening the organization's leadership pipeline by identifying and nurturing Hi-Pot leaders capable.

ACCENT Leadership Program: A focused initiative aimed at developing high-potential talent and enabling them to take on larger business responsibilities. ACCENT represents our core cultural pillars: Accountability, Collaboration, Customer Focus, and Entrepreneurship. This program is designed to translate these values into everyday leadership behaviours that drive performance and growth.

Research and Development

WABAG continues to enhance its position as a technology-driven water solutions provider through sustained investment in research and innovation. With a portfolio of over 125 IPRs, the Company remains at the forefront of developing advanced and sustainable water treatment technologies, reinforcing its competitive advantage in global markets.

Internal Control System and Their Adequacy

The Company has established a robust and effective internal control system designed to ensure the efficient use and protection of resources, adherence to policies and procedures, reliable financial reporting and compliance with statutory requirements.

Key Features

1. Integration with IFS: All major business processes are seamlessly integrated through the IFS platform, enabling real-time monitoring and improved process efficiency.
2. Corporate Governance Alignment: Internal controls form a critical pillar of the Company's corporate governance framework, supporting ethical conduct, transparency and accountability.

Control Framework and Evaluation

1. Policy-Driven Approach: A comprehensive set of policies and procedures (outlined elsewhere in this report) governs operations, risk mitigation and fraud prevention.
2. Regular Audits: Internal controls are periodically tested by both the statutory auditors and the Corporate Assurance Team (internal auditors).
3. Independent Internal Audit: An independent firm conducts internal audits based on assignments defined by the Audit Committee of the Board.
4. Internal Audit Coverage: All business units, functions and locations are covered under a well-established internal audit framework. Audits focus on evaluating the adequacy, integrity and reliability of internal controls. The outcomes of these audits are shared by the Head of Corporate Assurance with different departments to help prevent similar errors in the future.
5. Continuous Monitoring and Reporting:
 - Control Indices: Control effectiveness is measured and mapped using defined indices.
 - Improvement Focus: Observations and opportunities for process improvement are regularly shared with management.
 - Governance Oversight: Significant findings and action plans are reviewed and monitored by the Audit Committee to ensure timely implementation of audit recommendations.
 - Action Taken Reports (ATR): Observations made by the Board and its Committees are acted upon monthly through Action Taken Reports.

Cautionary Statement

The statements made in this section describe the Company's objectives, projections, expectations and estimations, which may be considered forward-looking statements under applicable securities laws and regulations. These forward-looking statements are based on certain assumptions and expectations regarding future events. The Company cannot guarantee that these assumptions and expectations are accurate or that they will be realised. Actual results may differ materially from those expressed or implied in these statements due to the influence of external factors beyond the Company's control. The Company assumes no obligation to publicly amend, modify, or revise any forward-looking statements based on subsequent developments.

BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

FY 2025-26

Engineering
Sustainable Solutions.
Enriching Lives.

**Building a Resilient Tomorrow Through
Responsible Today**



ENVIRONMENTAL
STEWARDSHIP



PARTNERSHIPS FOR
SUSTAINABLE GROWTH



SOCIAL
IMPACT



RESPONSIBLE
GOVERNANCE



INNOVATION &
EXCELLENCE

Introduction

WABAG, as one of the world's leading pure-play water technology companies, exists to address one of humanity's most critical challenges: ensuring sustainable access to clean water while building climate-resilient industries and communities. Guided by our purpose of creating a water-secure world and our vision "WABAGites enrich Life by Preserving Resources, Protecting Environment, Powering Economies through innovative and sustainable water solutions" sustainability is embedded into our strategy, operations, and long-term value creation approach. Through innovation, operational excellence, ethical governance, and responsible resource stewardship, WABAG delivers sustainable value to the investors, customers, communities, employees, and the environment.

In an era shaped by climate change, water scarcity, urbanisation, and increasing stakeholder expectations, WABAG's business model is inherently aligned with sustainable development and supports multiple United Nations Sustainable Development Goals (SDGs). The real impact of the business alignment with SDGs is presented below:

SDG	Business Value Created	Impact Delivered
 SDG 6 – Clean Water & Sanitation	Safe drinking water, desalination, wastewater treatment and water reuse solutions	Cumulative Build Capacity since 1995 - 2026: - Producing 28.8 million m³ clean water per day since 1995 - Recycling >3.1 million m³ water per day - Purifying 28.9 million m³ wastewater per day
 SDG 7 – Affordable & Clean Energy	Energy-efficient treatment technologies, renewable power utilisation and resource recovery	- Recovering biogas through 79 anaerobic sludge treatment plant and utilising for green power generation of 48MW capacity since 1995 - Procured 100% Renewable Energy to WABAG House
 SDG 8 – Decent Work & Economic Growth	Employment generation, capability development and local economic participation	2000+ employees - Great Place to Work - Most Preferred Workplace
 SDG 9 – Industry, Innovation & Infrastructure	Advanced water technologies, digital solutions and resilient infrastructure	125+ IPRs developed in-house 1,500+ Plants executed since 1995
 SDG 11 – Sustainable Cities & Communities	Urban water supply, sanitation and wastewater infrastructure	- Among the World's Top 3 Largest Private Water Operator & Desalination Plant Suppliers - Touched 245 million lives globally since 1995
 SDG 12 – Responsible Consumption & Production	Water recycling, circular water management and resource recovery	- Recycling >3.1 million m³ water per day 45 MLD Koyambedu TTRO is India's most technologically advanced reuse plant, powered by AI operational intelligence - Promoting Manufactured Water, Circular Economy and Resource (nutrients) Recovery through Technologies
 SDG 13 – Climate Action	Climate-resilient water infrastructure and low-carbon operations	- Contributed to greenhouse gas emission avoidance through the generation of 48 MW of renewable electricity from biogas - Development of the Bio-CNG/Compressed Biogas (CBG) sector with approximately 100 CBG plants planned across the country

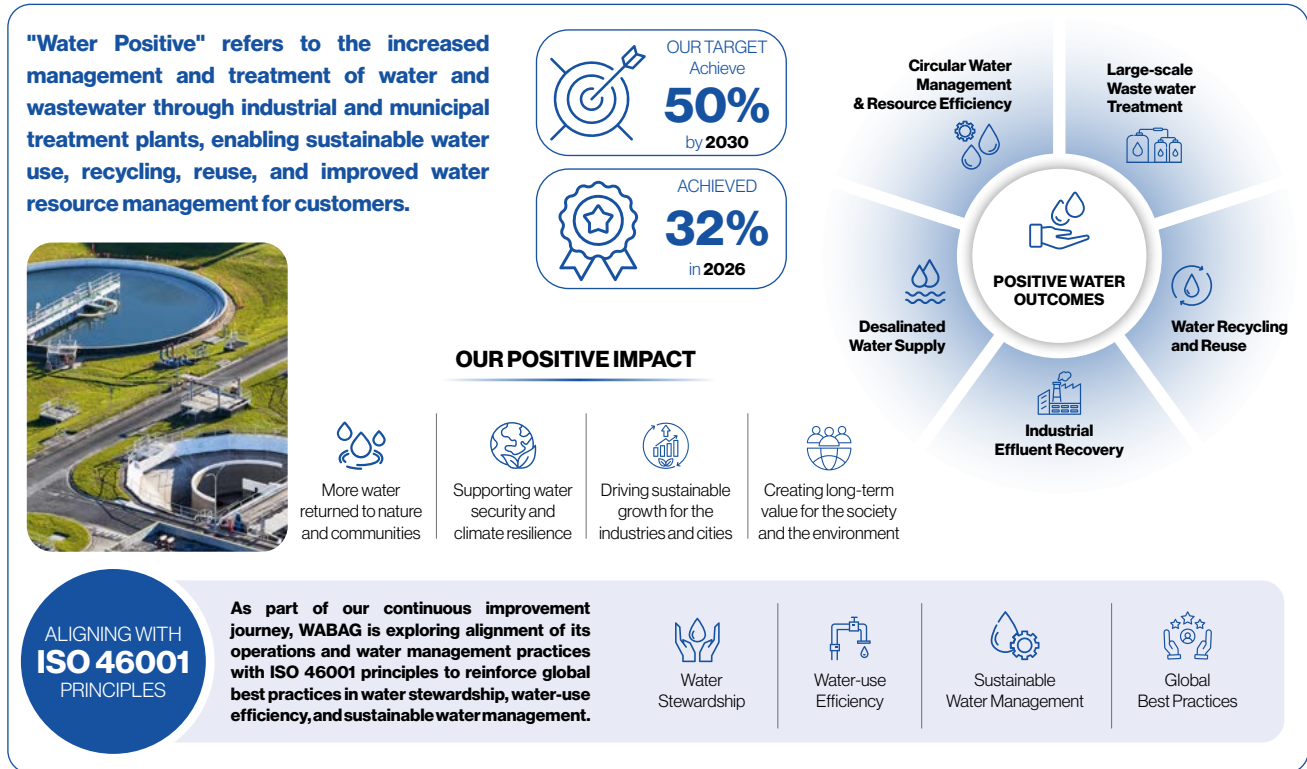
At WABAG, sustainability leadership is driven by measurable progress and climate resilience. Through advanced treatment technologies, digital optimisation, energy-efficient systems, and circular water solutions, we help industries and communities to reduce freshwater dependency, improve water-use efficiency, recover resources, and strengthen resilience against climate-related risks. Our climate-related assessments aligned with the recommendations of the Task Force on Climate-related Financial Disclosures, expansion of water positivity initiatives, and focus on low-carbon operations further reinforce our commitment to sustainable infrastructure development.

Sustainability at WABAG also extends to our people, governance, and partnerships. Through employee wellbeing initiatives, leadership development, diversity and inclusion, strong safety practices, ethical business conduct, and responsible supply chain management, we continue to build a resilient and future-ready organisation. As we move forward, WABAG remains committed to delivering innovative water solutions that protect ecosystems, empower communities, strengthen water security, and contribute meaningfully towards a sustainable and climate-resilient future.

Driving Environmental Sustainability and Operational Resilience

At WABAG, Environmental Sustainability is integrated into every aspect of our business. We continuously work to reduce our environmental footprint by improving resource efficiency, protecting ecosystem, minimizing emissions and promoting circular practices, while creating long term value for our stakeholders and the environment. The following section highlights some of the key initiatives undertaken during the year:

WABAG's Water Positive Commitment



Biodiversity Conservation and Ecosystem Stewardship

At WABAG, biodiversity protection is a core pillar of our environmental stewardship, deeply embedded into every stage of project planning and execution. We follow a structured approach guided by the principles of impact mitigation, strict regulatory compliance, and the implementation of site-specific Biodiversity Conservation Plans, ensuring that infrastructure development exists in harmony with ecological preservation. We translate these commitments into on-ground action through plantation of native-species, landscaping, and greenbelt development that restores local habitats and strengthens ecological connectivity. These efforts are further amplified by

rigorous capacity-building programs that sensitize our workforce to ecological conservation.

As a global leader in water technology, WABAG's core business itself serves as a powerful enabler of environmental restoration and ecological resilience. During FY 2025–26, our water and wastewater treatment solutions operated at a significant scale, treating approximately 6,93,070 million liters of wastewater and preventing more than 1,00,000 tonnes of pollutants from entering natural water bodies. In addition, the reuse of treated water helped reduce dependence on freshwater resources, thereby supporting water security and alleviating stress on freshwater ecosystems.

Through these interventions, WABAG contributes to the protection and restoration of aquatic ecosystems by improving water quality, reducing pollution loads, and enhancing the long-term availability of water resources that sustain biodiversity. Complementing our water stewardship initiatives, we further strengthened terrestrial ecosystems during the year through the plantation of 7,500 native saplings. By promoting native species and increasing green cover, we support local flora and fauna, improve habitat quality, strengthen ecological connectivity, and contribute to the development of healthier, more resilient ecosystems.



Air Quality Management and Emission Control Initiatives

The Company adopts a proactive and structured approach to minimise air emissions across its project sites. Aligned with national Air Quality Standards and global best practices, including relevant guidelines of the International Finance Corporation, ADB, JICA, KfW and various multilateral, the Company integrates air pollution control measures within its Environment Management Plans (EMP) for EPC and O&M projects sites. Key measures include dust suppression through water sprinkling during material handling and transportation, landscaping to reduce wind-blown dust, periodic air quality monitoring through accredited third-party agencies, and barricading of construction zones to limit particulate dispersion. The Company also undertakes regular monitoring of key pollutants such as PM10, PM2.5, NOx,

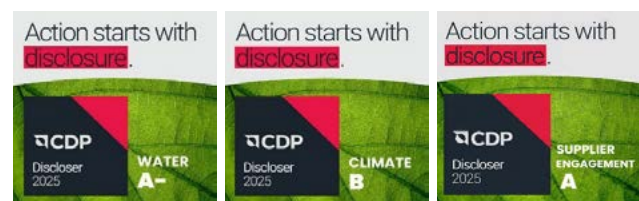
and SOx, along with training programs on air pollution risks and mitigation. Monitoring reports are submitted to regulatory authorities and clients to ensure compliance with the applicable standards.

Beyond project-site controls, WABAG contributes to reducing atmospheric emissions through the operation of wastewater treatment facilities across various geographies. These facilities capture methane generated during the sewage treatment process and convert it into a usable energy source, preventing its direct release into the atmosphere. Further, WABAG promotes Compressed Biogas (CBG) initiatives that upgrade captured biogas into a renewable fuel, supporting cleaner energy generation while reducing greenhouse gas emissions. Through these measures, the Company not only minimizes air emission impacts arising from its operations but also contributes to improved ambient air quality, while safeguarding the health and well-being of the employees, contractors, surrounding communities, and the environment.

Climate Risk Scenario Analysis and Strategic Resilience

WABAG has undertaken a comprehensive climate scenario analysis aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to assess the resilience of its business strategy under varying climate futures. The assessment evaluated both physical risks and transition risks across short, medium, and long-term horizons using internationally recognized climate pathways, including RCP 2.6, RCP 7.0, RCP 8.5, Net Zero Emissions (NZE), and Below 2°C scenarios. The analysis identified key physical risks such as floods, cyclones, extreme heat, and water stress, as well as transition risks related to low-carbon technologies, regulatory changes, market shifts, and evolving customer expectations. The findings further highlighted significant business opportunities arising from increasing demand for desalination, wastewater recycling, bioenergy generation, and sustainable water management solutions. Insights from the scenario analysis have been integrated into WABAG's enterprise risk management framework, climate transition planning, operational resilience strategy, and long-term net-zero roadmap, thereby strengthening the Company's preparedness for a low-carbon and climate-resilient future. Further details are available in www.wabag.com/

Further, WABAG's Environmental performance has been recognized globally through strong ratings by CDP, achieving an **"A-" rating in Water Security, "B" in Climate Change, and "A" in Supplier Engagement Assessment**. These ratings reflect the Company's robust governance framework, transparent disclosures, proactive climate and water risk management practices, and strong integration of sustainability across its operations and value chain.



The recognitions reaffirm WABAG's continued commitment towards environmental stewardship, resource efficiency, responsible supply chain practices, and climate-resilient infrastructure development, further strengthening its position as a trusted leader in sustainable water solutions.

A Legacy of Excellence: Over a Decade of Sustainability Leadership at WABAG House

With over twelve years of proven leadership in environmental stewardship, WABAG House stands as a definitive benchmark for high-performance corporate ecosystems. WABAG House demonstrates its sustainability leadership through sustainable architecture, efficient water and energy management, and a strong focus on employee well-being. During the year, WABAG House has secured awards and the same has listed below:

1. IGBC Platinum-Green Building Performance Excellence Award

WABAG House demonstrates excellence in sustainable design, water conservation, energy efficiency, environmental quality, innovation, and occupant well-being, contributing to its repeated Platinum certification and the IGBC Green Building Performance Excellence Award 2026.



2. IGBC Net Zero in Water Award

WABAG House demonstrates water conservation through reduced water consumption, wastewater reuse, and use of alternative water sources, supporting its Net Zero in Water achievement.

3. IGBC- Near Net Zero in Energy Award

WABAG House demonstrate energy-efficient systems, renewable energy usage, and implementation of carbon reduction measures.



4. IGBC Platinum-Health and Well-Being Award

WABAG House demonstrates that its pursuit of innovation remains deeply rooted in the holistic wellness of its people and the protection of the planet.



5. CII SR Industrial Climate Action Competition awards for excellence in

- **Water Stewardship**
- **Energy Efficiency and Renewable Energy**

WABAG's commitment to environmental stewardship and climate action has been recognized through several prestigious awards. Most notably, the Company received accolades at the CII Southern Region Industrial Climate Action Competition 2026 for excellence in Water Stewardship, as well as Energy Efficiency and Renewable Energy, reaffirming its leadership in sustainable infrastructure practices.

Social Performance: Empowering Our Greatest Asset

At WABAG, we recognize that our journey towards a water-secure future is powered entirely by the collective brilliance, resilience, and well-being of our people. Our social performance strategy is built on the conviction that a future-ready organization must be as invested in human capital as it is in technological innovation. We define our social impact through a holistic commitment to Human Capital Management, where we prioritize the safety, professional evolution, and inclusivity of our global workforce. By fostering an ecosystem of continuous learning and leadership mentorship, we ensure our teams are not just participants in the industry, but pioneers of it.

The following strategic initiatives and prestigious accolades stand as definitive testaments to our social efforts, anchoring our vision of a future where industrial progress and human prosperity grow together:

Building a Future-Ready Talent Pipeline

WABAG remains deeply committed to advancing employee capability as a driver of long-term growth and sustainability. This year, the organization strengthened its talent pipeline by on boarding 186 trainees from 11 leading institutions across India, spanning Graduate Engineer Trainees (GETs), Management Trainees (MTs), and Diploma Engineer Trainees (DETs). These young professionals undergo a comprehensive

induction program at the Global Headquarters, designed to integrate them into a culture of innovation and collaboration. Guided by experienced mentors, this cohort brings fresh energy and technical capabilities essential for operational excellence.

National Skillling and Apprenticeship Support

In alignment with India's Viksit Bharat 2046 vision, WABAG actively participates in national skill development initiatives through the Board of Apprenticeship Training Scheme (BOATS). Our engagement with the National Apprenticeship Training Scheme (NATS) has successfully seen 168 apprentices enrolled and trained within the organization. This initiative not only reinforces national skilling goals but also ensures a steady stream of skilled technical talent ready to contribute to the water infrastructure sector.



Leadership Development: Young Entrepreneur Program (YEP)

We continue to invest in high-potential employees through the Young Entrepreneur Program (YEP), which bridges the gap between technical expertise and leadership. Currently, two participants are pursuing Executive MBAs at IIM Kozhikode to sharpen their strategic management skills, while enrolment for the next cohort is already in progress. This investment in advanced education underscores our commitment to building the next generation of intrapreneurs and organizational leaders.



Celebrating Excellence: The Extra Milers

The "Extra Milers" initiative is designed to nurture talent and inspire performance by recognizing individuals who demonstrate exceptional effort and potential.

Recognition is vital to WABAG's high-performance culture, exemplified by the "Extra Milers" and "Emerging Talents" initiatives. Recently, seven



trainees were honored for their outstanding contributions, while 32 employees have been nominated for the Extra Miler 2025 cohort. By celebrating those who go above and beyond, we inspire a workforce that is motivated to drive innovation and sustainable organizational growth.

Global Business Insights and Mentorship: Fuelling Strategic Execution

For a global leader in complex water infrastructure, the transition from visionary engineering to operational reality requires world-class execution and robust governance. During the **Global Business Conference 2026**, WABAG bridged this gap by hosting exclusive leadership interactions with distinguished visionaries whose experiences mirror our own scale of ambition. The session with **Dr. Sudhanshu Mani**, the architect of the Vande Bharat Express, provided a blueprint for WABAG's indigenous innovation and "execution excellence" in large-scale projects. Complementing this, **Mr. R. Gopalakrishnan**, former Director of Tata Sons, offered profound insights into corporate governance and ethical decision-making. For WABAG, these mentorship sessions are more than academic; they are strategic catalysts that sharpen our leadership's ability to navigate global volatility and transform bold sustainability goals into impactful, high-performance realities for our stakeholders.



Digital Transformation in Learning: WABAG Gurukool

To foster a culture of continuous learning, WABAG has successfully scaled its digital learning portal, WABAG Gurukool, in partnership with Tesseract Learning. The platform, powered by the Kredos LMS, provides a seamless, mobile-friendly experience that merges traditional educational philosophies with modern micro-learning techniques. With 40 courses already published and over 500 users having completed training to date, the initiative is set for rapid expansion with an additional 100+ courses targeted for the coming year. This digital ecosystem serves as a powerful enabler for professional development and organizational knowledge enhancement.

Driving Sustainable Innovation Through a People-First Culture

At WABAG, we firmly believe that a great workplace is built not merely through policies and processes, but through people who bring trust, collaboration, commitment, and shared purpose into their everyday work.

Reflecting our people-first culture, WABAG is proud to be certified as a **“Great Place to Work”** for the period February 2026 to February 2027.



This recognition reflects the trust, collaboration, and commitment demonstrated by our employees and was made possible through their active participation and valuable feedback. It reinforces our commitment to fostering an

inclusive workplace where employees feel valued, empowered, and inspired to grow together.

At the core of our mission is a deep-seated commitment to our people, recently celebrated as we were named the **‘Most Preferred Workplace**



2025-26’ for the third consecutive year. This recognition from Team Marksmen, in collaboration with India Today and Business Standard, highlights our success in building an inclusive environment where WABAGites

are empowered to innovate. By harmonizing our focus on wellness with a culture built on trust and passion, we ensure our social impact is as profound as our environmental stewardship, proving that our people are the true engine behind our sustainable future.

Cultivating an Entrepreneurial Mindset

At WABAG, innovation is more than a value, it is a mindset embedded across the organization. We believe every WABAGite can think creatively, take ownership, and contribute beyond defined roles to drive meaningful impact. We do not merely speak about innovation; we actively nurture it

through leadership-driven initiatives that encourage employees to think beyond their responsibilities and contribute to the Company's long-term growth journey. This culture of intrapreneurship is personally championed by our Chairman and Managing Director, Rajiv Mittal, through dedicated Entrepreneurship Masterclasses that inspire employees at every level to innovate, solve challenges, and shape the future of the organization. By fostering creativity, collaboration, calculated risk-taking, and continuous learning, WABAG reinforces that entrepreneurial skills are not only innate qualities, but capabilities that can be nurtured and strengthened over time.



Commitment to Diversity and Inclusion

Diversity is a cornerstone of WABAG's recruitment strategy, fostering a workforce enriched by academic excellence, diverse perspectives, and inclusive opportunities. WABAG is committed to providing a safe, respectful, and equitable workplace for the employees of all genders, supported by a robust Prevention of Sexual Harassment (POSH) framework and an active Internal Committee. The Company conducts regular training and awareness programs to strengthen the employees understanding of workplace ethics, gender sensitivity, safety, and respectful conduct, reinforcing an inclusive and secure work environment for all.

The most recent onboarding cohort reflects this ongoing commitment to inclusivity, achieving a significant gender diversity ratio of 34.62%



female and 65.38% male. By actively nurturing a diverse workforce across all functions, WABAG reinforces its focus on building a future-ready team that reflects the global communities it serves.

Women's Day: Celebrating Inclusion and Empowerment

At WABAG, our Women's Day celebrations recognize and celebrate the contributions of the **Women of WABAG (WOW)** while reinforcing our commitment to diversity, inclusion, and equal opportunities. During the year, women employees showcased their talents through dedicated stalls, fostering creativity and empowerment. Reflecting the spirit of **"Give and Gain,"** a portion of the proceeds was contributed to an orphanage, making the celebration socially meaningful.



SparXx: Igniting Energy and Strengthening Team Spirit

At WABAG, employee engagement remains central to fostering a collaborative and high-performing workplace culture. Through SparXx, our flagship employee engagement initiative, we create opportunities for the employees to connect, collaborate, and grow beyond routine work environments. More than just an engagement platform, SparXx promotes cross-functional interaction, strengthens camaraderie, and nurtures a strong sense of belonging, reinforcing the spirit of One WABAG Family. During the year, the employees actively participated in table tennis, badminton, cricket, and carrom tournaments, alongside vibrant celebrations of Onam, Diwali, Raksha Bandhan, Christmas, New Year, Pongal, and Holi, fostering collaboration, cultural connectedness, and workplace camaraderie.



Employee Health and Well-being

At WABAG, employee health and well-being remain a key priority, strengthened through a range of initiatives aimed at promoting holistic wellness across both corporate and site operations. Programs such as yoga sessions, mental health and stress management initiatives, and annual medical health check-ups are conducted to support the employees' physical and psychological well-being. These well-being initiatives are further extended to site-level employees and workers, ensuring inclusive access to mental health support and health camps. Going beyond conventional wellness programs, WABAG has taken an additional step to safeguard the health of the employees and workers at Sewage Treatment Plant (STP) sites by providing Hepatitis B vaccination drives, recognizing potential occupational health risks and reinforcing its commitment to preventive healthcare, workplace safety, and overall employee well-being.

Reflecting the effectiveness of these efforts, WABAG's Arogya workplace wellness initiative received **the Platinum Award at the Arogya Healthy Workplace Awards**, reaffirming our commitment to employee well-being.



Setting New Benchmarks in EHS

Our commitment to responsible project execution was prominently recognized at the **CII-EHS Excellence Awards 2025**, where WABAG secured two major accolades in the construction sector. The **Gold Award** for our flagship **400 MLD Perur SWRO** project and the **Bronze Award** for the **52 MLD RIL Jamnagar SWRO** project underscore our ability to scale complex water infrastructure while maintaining uncompromising safety standards.

These honors reflect a deep-rooted culture of operational excellence, where rigorous Environment, Health, and Safety (EHS) practices are integrated into every phase of construction. By prioritizing the well-being of our workforce and the integrity of our environmental footprint, we continue to demonstrate that world-class project delivery and sustainable practices go hand-in-hand.



SECTION A: GENERAL DISCLOSURES

I. Details of the Listed Entity

1.	Corporate Identity Number (CIN) of the Listed Entity:	L45205TN1995PLC030231
2.	Name of the Listed Entity:	VA TECH WABAG LIMITED
3.	Year of incorporation:	1995
4.	Registered office address:	"WABAG HOUSE", NO. 17, 200 FEET THORAIPAKKAM - PALLAVARAM MAIN ROAD, SUNNAMBU KOLATHUR CHENNAI 600117, TAMIL NADU
5.	Corporate address:	"WABAG HOUSE", NO. 17, 200 FEET THORAIPAKKAM - PALLAVARAM MAIN ROAD, SUNNAMBU KOLATHUR CHENNAI 600117, TAMIL NADU
6.	E-mail:	companysecretary@wabag.in
7.	Telephone:	+ 91 44 6123 2323
8.	Website:	www.wabag.com
9.	Financial year for which reporting is being done:	April 01, 2025 - March 31, 2026
10.	Name of the Stock Exchange(s) where shares are listed:	National Stock Exchange of India Limited BSE Limited
11.	Paid-up Capital:	INR 12,46,19,190 /-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report:	Name: Mr. S Varadarajan Designation: Whole Time Director & Chief Growth Officer Telephone: +91 44 6123 2323 Email ID: varadarajan@wabag.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together):	The disclosures under this report are made on a Standalone basis, unless otherwise specified.
14.	Name of assessment or assurance provider	KBS Certification Services Limited
15.	Type of assessment or assurance obtained	Limited Assurance done for Water, Energy and Emissions (Scope 1, Scope 2 and Scope 3)

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
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" & "F"]	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. [Code: "F2" Instruction Kit for e-Form MGT-7 for filing Annual Return of the Company] b) O&M of above facilities. [Code: "E1", "E2" & "E3" – Instruction Kit for e-Form MGT-7 for filing Annual Return of the Company]	83% 17%

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	Water collection, treatment and supply	3600	100%
2	Sewerage *	3700	
3	Construction of utility projects	4220	
4	Construction and repair of sewer systems including sewage disposal plants and pumping stations	42205	

* The Company also deals with Industrial waste water treatment plants, Sludge management, O&M of all types of plants.

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	82	5	87
International	20	12	32

Note: *It Includes both EPC and O&M sites not owned by the Company.

19. Markets served by the entity:
a. Number of locations

Locations	Number
National (No. of States)	16
International (No. of Countries)	25

b. What is the contribution of exports as a percentage of the total turnover of the entity?

43%

c. A brief on types of customers

The Company serves a diverse clientele encompassing Municipalities seeking reliable public water infrastructure and industries like refineries, power plant, requiring specialized processes and effluent treatments focused on sustainable development, all benefitting from the Company's tailored, technologically advanced and globally recognized water treatment solutions.

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)	1,234	1,109	89.9%	125	10.1%
2.	Other than Permanent (E)	109	96	88.1%	13	11.9%
3.	Total employees (D + E)	1,343	1,205	89.7%	138	10.3%

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
WORKERS						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	169	166	98.2%	3	1.8%
6.	Total workers (F + G)	169	166	98.2%	3	1.8%

Note: % of female employee stand at 12.7% including the apprentice.

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)	5	5	100%	0	0%
2.	Other than Permanent (E)	0	0	0%	0	0%
3.	Total differently abled employees (D+E)	5	5	100%	0	0%
DIFFERENTLY ABLED WORKERS						
4.	Permanent (F)	0	0	0%	0	0%
5.	Other than permanent (G)	2	2	100%	0	0%
6.	Total differently abled workers (F + G)	2	2	100%	0	0%

21. Participation/Inclusion/Representation of women:

Particulars	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	6	1	16.67%
Key Management Personnel	6	0	-

Key Management Personnel included the Chairman and Managing Director (CMD), Whole Time Director (WTD) & Chief Growth Officer (CGO), Chief Finance Officer (CFO), Chief Executive Officer (CEO) - India Cluster, CFO - India cluster and Company Secretary (CS) & Compliance Officer.

22. Turnover rate for permanent employees and workers

Particulars	FY 2025-26 (Turnover rate in current FY)			FY 2024-25 (Turnover rate in previous FY)			FY 2023-24 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	20.60%	22.44%	20.77%	21.44%	30.00%	22.15%	24.16%	25.00%	24.24%
Permanent Workers	0%	0%	0%	0%	0%	0%	0%	0%	0%

The organization has achieved a consistent improvement in employee retention over the past years through targeted efforts leading to a successfully reducing the total turnover rate from 24.24% in FY 2023-24 to 20.77% in the current FY 2025-26. This steady decline reflects the positive impact of ongoing retention initiatives and improved workplace stability. To build on this momentum, management has implemented a strategic plan to further optimize engagement and streamline talent management, with the specific objective of continuous improvement in this area.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. a. Names of holding / subsidiary / associate companies / joint ventures

S. 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)
1.	VA TECH WABAG (SINGAPORE) PTE LTD, SINGAPORE	Subsidiary	100%	Yes
2.	VA TECH WABAG (PHILIPPINES) INC., PHILIPPINES	Subsidiary	100%	Yes
3.	VA TECH WABAG LIMITED PRATIBHA INDUSTRIES LIMITED JV, NEPAL	Subsidiary	-	Yes
4.	WABAG MUHIBBAH JV SDN BHD, MALAYSIA	Subsidiary	70%	Yes
5.	VA TECH WABAG MUSCAT LLC, OMAN	Subsidiary	70%	Yes
6.	WABAG BELHASA JV WLL, BAHRAIN	Subsidiary	49%	Yes
7.	VA TECH WABAG AND ROOTS CONTRACTING LLC, QATAR	Subsidiary	60%	Yes
8.	GANGA STP PROJECT PRIVATE LIMITED, INDIA*	Associate	51%	Yes
9.	DK SEWAGE PROJECT PRIVATE LIMITED, INDIA**	Subsidiary	100%	Yes
10.	GHAZIABAD WATER SOLUTIONS PRIVATE LIMITED, INDIA	Subsidiary	100%	Yes
11.	KOPRI BIO ENGINEERING PRIVATE LIMITED, INDIA	Subsidiary	51%	Yes
12.	GHAZIABAD BIOENERGY PRIVATE LIMITED	Subsidiary	51%	Yes
13.	NORTH CHENNAI TRU WATER PRIVATE LIMITED***	Subsidiary	100%	Yes
14.	VA TECH WABAG GmbH, AUSTRIA	Subsidiary	100%	Yes
15.	VA TECH WABAG DEUTSCHLAND GmbH, GERMANY	Subsidiary	100%	Yes
16.	VA TECH WABAG TUNISIE S.A.R.L, TUNISIA	Subsidiary	100%	Yes
17.	VA TECH WABAG SU TEKNOLOJISI VE TIC. A.S. TURKEY	Subsidiary	100%	Yes
18.	WINDHOEK GOREANGAB OPERATING COMPANY (PTY) LIMITED, NAMIBIA	Associate	33%	Yes

*Economic interest held by the Company is 26% and 51% equity held by the Company

**Economic interest held by the Company is 49.80% and 100% equity held by the Company

*** The wholly owned subsidiary was incorporated on April 01, 2026

VI. CSR Details

24. i. Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)

YES

ii. Turnover (in Rs.): 32,47,76,11,556

iii. Net worth (in Rs.): 21,08,20,00,000

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:

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 2025-26 (Current Financial Year)			FY 2024-25 (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, Policies are available on www.wabag.com/investors/	24	0		26	0	
Investors (other than shareholders)		3	0		4	0	
Shareholders		0	0		0	0	
Employees and workers		157	0		184	0	
Customers		0	0		0	0	
Value Chain Partners		0	0		0	0	
Others		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	R	Increasing extreme weather events (cyclones, floods, heat waves) can disrupt projects, causing asset damage and safety risks. These impacts may lead to delays, cost escalations, and supply chain disruptions affecting project timelines. Evolving climate regulations and decarbonization expectations may further increase compliance requirements and influence technology and financing decisions.	Climate risks are mitigated through integration of climate risk assessment into enterprise risk management and across the project lifecycle, including site selection, design, and execution. The Company adopts resilient engineering practices, climate-adaptive infrastructure design, and robust contingency planning to minimize disruptions. Additionally, focus on energy efficiency, renewable energy adoption, and alignment with global frameworks such as TCFD and ISO strengthens climate governance and performance monitoring.	Negative
		O	Climate-driven water stress is increasing demand for treated and climate-resilient solutions such as desalination and water reuse. Deployment of energy-efficient, low-carbon technologies enhances sustainability and operational efficiency. Integration of renewable energy and circular water solutions further supports long-term value creation and market positioning.	NA	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)
2	Water Stewardship & Water Security	O	Growing global demand for sustainable water infrastructure, wastewater recycling, desalination, industrial water reuse, Zero Liquid Discharge (ZLD), and circular water solutions presents significant business opportunities for WABAG. Increasing focus by governments and industries on water security, resilience, and water-positive strategies is accelerating investments in advanced treatment technologies and integrated water management solutions, strengthening WABAG's market position and long-term growth potential.	NA	Positive
3	Circular economy Practices	O	Recovery of treated water, sludge-to-energy (biogas), and resource recovery from wastewater aligns with WABAG's technology capabilities, reducing resource dependency and enhancing lifecycle efficiency.	NA	Positive
4	Timely Project Execution (EPC & O&M)	R	Delays in EPC execution or O&M performance can impact cash flows, LD exposure, client relationships, and project profitability.	Execution risks are managed through delay analysis, catch-up planning, and periodic reviews, supported by resource optimization and advanced construction technologies. Multi-shift execution is adopted, where required, to address bottlenecks and maintain project timelines.	Negative
		O	Timely execution capability always enhances the credibility in protecting the project results and strengthen the repeat business.	NA	Positive
5	Occupational Health & Safety (OHS)	R	Ensuring a safe workplace is critical for operational continuity across all functions. The Company prioritizes the implementation of advanced and customized occupational health and safety (OHS) practices to prevent incidents and maintain compliance. A strong focus on proactive safety measures supports a secure, productive work environment and enables sustainable operations.	OHS risks are managed through hazard assessments, regular training, and use of appropriate PPE. Safety inspections / audits, emergency preparedness, health monitoring, and incident reporting systems are in place with strict regulatory compliance. These are supported by a formal EHS Policy and ISO 45001:2018 implementation.	Negative
6	Quality Control (QC)	R/O	Maintaining and exceeding committed water quality standards is critical for WABAG, as any deviation may pose risks to reputation, project timelines, and client assurance. Ineffective quality control can impact timely delivery, customer trust, and long-term relationships. Conversely, strong QC practices safeguard brand value, enhance client confidence, and enable consistent delivery, creating long-term economic benefits and strengthening customer relationships.	Quality risks are mitigated through a Standardized QC protocols, competency-based inspections, performance monitoring, customer feedback, and ISO 9001:2015 across all functions, ensuring consistent quality assurance and delivery.	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	For WABAG, innovation and digitization in water management are strategic enablers to enhance sustainability, meet evolving regulatory requirements, and drive economic value. Adoption of advanced and digital technologies (SCADA, remote monitoring, AI-based optimization) improves plant efficiency, optimizes resource utilization, and reduces environmental impact. These capabilities strengthen operational excellence and provide a competitive edge in the global water solutions market.	NA	Positive
8	Employee training and development	O	Continuous learning and skill development are prioritized to enhance employee engagement and productivity, while ensuring alignment with industry best practices. Investing in individual growth strengthens organizational resilience and enables adaptability in a dynamic business environment.	NA	Positive
9	Ethics and integrity	R/O	Upholding ethics, transparency, and accountability is essential for protecting WABAG's reputation and enabling sustainable long-term value creation. Strong ethical practices enhance stakeholder trust, customer loyalty, investor confidence, and regulatory compliance, positioning the Company as a responsible industry leader. Conversely, any lapse or inconsistent adherence to ethical standards may undermine stakeholder confidence and adversely impact brand image.	Ethical risks are mitigated through regular awareness and training sessions that reinforce the Company's commitment to high standards of ethics, integrity, transparency, and accountability across all functions.	Negative/ Positive
10	Intellectual Property	R / O	Intellectual property is a key enabler of WABAG's competitive advantage, with innovations protected through patents, trademarks, and proprietary know-how. Effective IP management supports differentiation, innovation-led growth, and long-term value creation. However, risks such as leakage of confidential information and potential infringement by competitors may impact business value and market position.	IP risks are mitigated through a multi-layered approach, including the employee awareness and training on IP protection, collaboration with patent attorneys for filing and portfolio management, and robust data security measures during stakeholder interactions. Confidentiality is reinforced through Non-Disclosure Agreements (NDAs) and stringent clauses in contracts with the employees, partners, and vendors to safeguard proprietary information.	Negative / Positive
11	Community engagement	O	WABAG recognizes that business success is closely linked to community well-being, creating opportunities through active engagement and inclusive development initiatives. By focusing on sustainable water management, local participation, and regular stakeholder interactions, the Company fosters community ownership and trust. Strategic project siting and initiatives in education, employability, livelihood, and health contribute to local upliftment while driving mutual growth and long-term development.	NA	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	Sustainable Supply Chain	R	WABAG's reliance on global suppliers for specialized materials and equipment exposes it to ESG risks, including supply disruptions, regulatory non-compliance, and environmental or social issues within the value chain. These challenges may lead to project delays, cost escalations, and potential reputational impacts. Additionally, increasing expectations from frameworks such as CDP on value chain transparency and climate performance add to compliance and reporting requirements.	The Company mitigates these risks through a robust Vendor Code of Conduct that sets clear expectations on labor practices, human rights, environmental stewardship, and ethical business conduct. ESG criteria are integrated into vendor selection and evaluation, supported by periodic supplier assessments, continuous engagement, and capacity-building initiatives to enhance sustainability performance. Transparent communication, supplier alignment with sustainability standards, and diversification of critical vendors further strengthen supply chain resilience and reduce overall risk.	Negative
13	Energy Intensity of Operations	R/O	Energy-intensive processes increase operating costs and exposure to emissions-related risks, particularly in treatment and desalination operations. Fluctuations in energy prices and regulatory pressures on emissions may impact project viability and margins. However, improving energy efficiency and optimizing processes can significantly enhance cost competitiveness and operational performance.	Energy-related risks are managed through deployment of energy-efficient technologies and process optimization across projects and operations. Renewable energy integration, including solar hybrid systems and biogas utilization, is leveraged to reduce dependence on conventional energy sources. Continuous monitoring systems are implemented to track performance, improve efficiency, and reduce energy consumption and emissions.	Negative/Positive
14	Biodiversity & Ecosystem Impact	R/O	WABAG's projects, particularly desalination plants, STPs, and discharge systems, may impact marine and freshwater ecosystems through intake, discharge, and land use changes, posing regulatory, operational, and reputational risks. At the same time, sustainable water treatment and responsible discharge management create opportunities to enhance ecosystem health and environmental stewardship.	The Company mitigates these risks through environmental impact assessments, eco-sensitive design of intake and outfall systems, and strict regulatory compliance. Treated water discharge is managed to support local water bodies, while tree plantation initiatives across sites help enhance biodiversity and ecological balance.	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:

Disclosure Questions	Principles								
	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/investors/						
2 Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3 Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y

4. Name of the national and international codes / certifications / labels / standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, and Trustee) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.

The Company has its policies in line with the international standards and practices:

P1: SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Code of Conduct, Governance Policies;

P2: ISO 14001, ISO 45001;

P3: Factories Act, 1948, Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, ISO 45001, Labor law and regulation (ILO) standards;

P4: IFC, World Bank, ADB Safeguards, Grievance Redressal Mechanisms;

P5: Factories Act, 1948, UNGP, ILO, Labor Laws, Vendor Code of Conduct;

P6: ISO 14001, ISO 14064, The GHG Protocol Corporate Accounting and Reporting Standard, CII-IGBC -Platinum rated certification, Near Net Zero in Energy, Net Zero in Water, GWI;

P7: Industry engagement frameworks – like CII, ASSOCHAM, MCC etc;

P8: CSR disclosures pursuant to Section 135 of the Companies Act, 2013;

P9: ISO 9001, Grievance Redressal Systems, Cybersecurity Compliance Certificate (equivalent to ISO27001).

Disclosure Questions	Principles								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
5 Specific commitments, goals and targets set by the entity with defined timelines, if any.	i	g	e, f		e	a, b, c, d, h,			
6 Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	i	g	e, f		e	d, h			

S. No.	Specific Commitments for WABAG House
a)	Platinum Certification in IGBC
b)	Near Net Zero Energy
c)	Net Zero Water

S. No.	Goals	Base year	Target	Target Year	Achieved
d)	Increase in water positivity	2024	50%	2030	32%
e)	Zero Incidents (Zero LTIFR)		0		0.28
f)	Gender diversity	2024	12%	2030	10.3%
g)	Sustainable Vendor chain	2024	30%	2030	28%
h)	Carbon Emission reduction	2024	20%	2035	50%
i)	Periodic compliance of the SEBI Regulation Amendments (including Industry Standard Note) w.r.t Governance		100%		100%

Governance, leadership and oversight

7. Statement by the director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements:

At WABAG, sustainability is intrinsic to our purpose of delivering innovative and resilient water solutions. While our core business inherently contributes to environmental stewardship, we recognize that scaling our global operations brings evolving ESG challenges—particularly in managing energy intensity, resource efficiency, and ensuring responsible practices across a diverse project and supply chain footprint. Additionally, advancing safety performance towards a zero-incident culture and improving diversity across our workforce remain key areas of focus.

Our ESG strategy is anchored in clear, time-bound targets aligned with long-term value creation. We have committed to achieving a 50% water-positive impact by 2030, and have progressed to 32%, reflecting steady advancement in enhancing water availability and reuse. In safety, while our goal remains zero incidents (Zero LTIFR), we recorded 0.28, reinforcing the need for continued strengthening of our safety culture and systems. On diversity, we are working towards 12% gender representation by 2030, with current levels at 10.3%, demonstrating gradual improvement. Our ambition to build a sustainable vendor ecosystem (30% by 2030) has reached 28%, driven by increased supplier engagement and ESG integration. Notably, we have exceeded our carbon emission reduction target, achieving 50% reduction against a 20% target, reflecting strong progress in energy efficiency, low-carbon solutions and use of renewable power at office and site. We have also ensured 100% compliance with the SEBI's regulatory requirements, including all applicable amendments and industry standards, underscoring our commitment to robust governance.

During the year, we strengthened our ESG framework through enhanced governance oversight, comprehensive materiality assessments, and alignment with global best practices. We continued to deploy advanced energy-efficient technologies, expanded water recycling and reuse initiatives, and reinforced circularity principles across the projects. Our focus on health and safety remains paramount, with structured systems for risk identification, its mitigation, and continuous engagement with the employees and partners to drive a proactive safety culture.

We also recognize that our impact extends beyond operations. Through our projects, we enable access to clean water and sanitation in water-stressed regions, contributing to improved public health and community resilience. At the same time, we are deepening engagement with our supply chain to embed sustainability principles and drive collective progress.

Looking ahead, we remain committed to transparent disclosures, continuous improvement, and innovation-led sustainability. By integrating ESG into our business strategy and decision-making, we aim to address global water challenges while delivering sustainable and inclusive growth for all the stakeholders.

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 Company has established a robust, multi-tiered governance structure to drive its sustainability agenda. At the apex the Board-level Sustainability Committee, which is responsible for setting the overall sustainability vision, providing strategic direction, ensuring governance and oversight, and reviewing performance against defined ESG targets. This structured framework enables effective integration of sustainability into business decision-making and ensures alignment across operational, strategic, and governance levels, reinforcing the Company's commitment to long-term sustainable value creation.

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 Sustainability Working Group									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 Sustainability Working Group									A	A	Q	H	A	Q	A	A	A

11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes / No). If yes, provide name of the agency.

Yes

P3: Bureau Veritas

P5: Bureau Veritas

P6: KBS Certification Services Limited

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	Principles								
	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									
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)	Not Applicable since the policies of the Company cover all Principles on NGRBCs.								

SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as "Essential" and "Leadership". While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

01

Principle:

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 programmes held	Topics / principles covered under the training and its impact	% age of persons in respective category covered by the awareness programs
Board of Directors (BoDs)	7	Regulatory compliance requirements, risk management and ESG performance.	100%
Key Managerial Personnel	14	Corporate governance, the Companies Act, 2013, SEBI regulations applicable to the company, ESG performance, POSH, etc.	100%
Employees other than BoDs & KMPs	168	Code of conduct, WABAG Values, POSH, Wellbeing - physical, financial, mental, safety sessions, skill development and function specific sessions.	100%
Workers	15	Health and Safety, Wellbeing sessions, skill development sessions.	100%

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):

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		All disclosures made under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 were available on the Company's Website. Web link: https://www.wabag.com/investor-communications/			
Settlement					
Compounding Fee					

Monetary				
	NGRBC Principle	Name of the Regulatory / enforcement agencies / judicial institutions	Brief of the Case	Has the 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
All disclosures made under Regulation 30 of the SEBI (LODR) Regulations, 2015 were available on the Company's Website. Web link: https://www.wabag.com/investor-communications/	

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. WABAG has an Anti-Bribery and Anti-Corruption (ABAC) Policy (<https://www.wabag.com/wp-content/uploads/2025/07/Policy-on-Anti-Bribery-Anti-Corruption.pdf>) aligned with Principle 1, supported by its Code of Conduct applicable to the employees and value chain partners, with zero-tolerance towards corruption and embedded monitoring and compliance mechanisms.

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 2025-26 and FY 2024-25. On above grounds, no action was taken by any law enforcement agency.

	FY 2025-26 (Current Financial Year)	FY 2024-25 (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 the Directors / KMPs in FY 2025-26 and FY 2024-25.

	FY 2025-26 (Current Financial Year)		FY 2024-25 (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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Number of days of accounts payables (current trade payables)	174	158

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 2025-26 (Current Financial Year)	FY 2024-25 (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)	2%	2%
	b. Sales (Sales to related parties / Total Sales)	1%	4%
	c. Loans & advances (Loans & advances given to related parties / Total loans & advances)	100%	100%
	d. Investments (Investments in related parties / Total Investments made)	98%	100%

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

The Company is committed to conducting business in ethical fair, legally, environment and socially responsible manner. The Company's business partners are integral part of the ecosystem and the Company encourages the business partners to be responsible corporate citizens. The Company has in place the documented code of conduct for business partners to emphasize in the area of business integrity, human rights, labor practices and environment stewardship etc. The Company takes confirmation from the business partners on acceptance and adherence to the code of conduct.

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
3,674	Basics of ESG, training on 9 Principles of BRSR, carbon footprint, energy management, water and waste management and improvement, basics of safety, understanding Vendor Code of Conduct.	~70%

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 established a Code of Conduct for the Board of Directors that provides clear guidelines for identifying, avoiding, and disclosing actual or potential conflicts of interest with the Company. An annual declaration confirming adherence to the Code is obtained from all Board members.

02

Principle:**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:**

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	Details of improvements in environmental and social impacts
R&D	100%	100%	The R&D expenditures were spent in specific technologies to improve the environment. The Specific technologies including: 1. Zero liquid discharge, 2. Ceramic Membranes, 3. Compressed Bio Gas, 4. Ultra-Pure Water Treatment.
Capex	100%	100%	WABAG operates in the business of pollution control, and its investments and capital expenditure are aligned with this focus.

- 2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No):**

Yes.

The Company has procedures in place for sustainable sourcing, including a Code of Conduct and a structured vendor selection process that ensures compliance with applicable legal, health, safety, environmental (HSE), and corporate governance requirements.

- b. If yes, what percentage of inputs were sourced sustainably?**

- 28 % of inputs were sourced from the supplier who follows sustainability practices.

- 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.**

Not Applicable.

The Company does not have a specific product for end-of-life reclamation. However, at project and operational sites, systems are in place to recycle, reuse, and dispose waste in according to regulatory requirements during construction and operation.

- 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.**

No.

As the business of the Company is EPC, O&M and the waste generated is incidental to the EPC and O&M operation, therefore EPR is not applicable to our activity. However, the waste generated at site are disposed according to the Central Pollution Control Board (CPCB) / State Pollution Control Board (SPCB) guidelines.

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
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Not Applicable.

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
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Not Applicable

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NA	NA	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:

Particulars	FY 2025-26 (Current Financial Year)			FY 2024-25 (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
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Not Applicable

03

Principle:

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	%	Number	%	Number	%	Number	%	Number	%
		(B)	(B/A)	(C)	(C/A)	(D)	(D/A)	(E)	(E/A)	(F)	(F/A)
Permanent Employees											
Male	1,109	1,109	100%	1,109	100%	-	-	-	-	-	-
Female	125	125	100%	125	100%	125	100%	-	-	-	-
Total	1,234	1,234	100%	1,234	100%	125	10.1%	-	-	-	-
Other than Permanent employees											
Male	96	96	100%	96	100%	-	-	-	-	-	-
Female	13	13	100%	13	100%	13	100%	-	-	-	-
Total	109	109	100%	109	100%	13	11.9%	-	-	-	-

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health Insurance		Accident Insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number	%	Number	%	Number	%	Number	%	Number	%
		(B)	(B/A)	(C)	(C/A)	(D)	(D/A)	(E)	(E/A)	(F)	(F/A)
Permanent Employees											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Other than Permanent employees											
Male	166	166	100%	166	100%	-	-	-	-	-	-
Female	3	3	100%	3	100%	3	100%	-	-	-	-
Total	169	169	100%	169	100%	3	2%	-	-	-	-

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format:

Particulars	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Cost incurred on well-being measures as a % of total revenue of the Company.	0.12%	0.14%

2. Details of retirement benefits, for Current Financial Year and Previous Financial Year:

Benefits	FY 2025-26 (Current Financial Year)			FY 2024-25 (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%	100%	Y	100%	The Company	Y
Gratuity	100%	100%	Y	100%	does not have	Y
ESI **	100%	100%	Y	100%	any workers in this financial year	N.A

* The above benefits are provided to employees and exclude consultants and trainees.

**Eligible employees and workers are covered under ESI.

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.

Yes, the Company maintains fair and equitable relations with its employees. All employees are treated fairly, and no discrimination is practiced on any grounds, including physical disability. To address the needs of persons with disabilities, the Company has equipped its facilities with disability-friendly washrooms. Accessible entrances with ramp have also been provided for differently abled employees and customers. Efforts are underway to ensure compliance with the PWD Act, 2016 across other work locations.

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 \(wabag.com\)](https://www.wabag.com/Equal-Opportunity-Policy.pdf)

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	Not applicable	
Female	50%	75%		
Total	50%	75%		

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.

Particulars	Yes / No (If yes, then give details of the mechanism in brief)
Permanent Workers	No, The Company does not have permanent workers on its role.
Other than Permanent Workers	Yes, The Company has a well-established grievance mechanism through which workers can register their complaints. These grievances are duly considered and addressed to ensure resolution and to continuously improve the working environment.
Permanent Employees	Yes. HR Grievance Portal is available to the employees for Grievance redressal. Access is also available to the employees to communicate directly to the management through the intranet portal where the employees can have named basis or anonymous basis provide feedback/express grievance. Such grievances are immediately addressed. The action against the grievances are taken in the immediate basis, communicated to the concern person and confirmation from them are received.
Other than Permanent Employees	

7. Membership of employees and workers in association(s) or Unions recognized by the entity:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (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	1,234	0	0%	1,000	0	0%
- Male	1,109	0	0%	920	0	0%
- Female	125	0	0%	80	0	0%
Total Permanent Workers	0	0	0%	0	0	0%
- Male	0	0	0%	0	0	0%
- Female	0	0	0%	0	0	0%

8. Details of training given to employees and workers:

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (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	1,205	1,205	100%	972	80.66%	1,147	1,147	100%	1,006	87.71%
Female	138	138	100%	103	74.64%	125	125	100%	105	84.00%
Total	1,343	1,343	100%	1,075	80.04%	1,272	1,272	100%	1,111	87.34%
Workers										
Male	166	166	100%	166	100%	The Company does not have any factories or production facilities; hence it does not have any workers on its rolls.				
Female	3	3	100%	3	100%					
Total	169	169	100%	169	100%					

9. Details of performance and career development reviews of employees and worker:

Category	FY 2025-26 (Current Financial Year)			FY 2024-25 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No (D)	% (D/C)
Employees						
Male	1,205	1,120	93%	1,147	981	86%
Female	138	129	93%	125	114	91%
Total	1,343	1,249	93%	1,272	1,095	86%
Workers*						
Male	166	0	0%	0	0	0
Female	3	0	0%	0	0	0
Total	169	0	0%	0	0	0

Note: All employees on rolls as of 31st December 2025 are eligible for performance and career development reviews for FY 2026. Employees who joined between January 2026 and March 2026 will be covered under the subsequent performance and career development review cycle. Consequently, 100% employees will be covered under performance and career development reviews.

*As the workers were joined in the month of November 2025, hence not applicable for performance review.

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 implemented an Occupational Health and Safety (OHS) Management System under its Integrated Management System, certified to ISO 14001:2015 and ISO 45001:2018. The system covers all operations, including EPC and O&M sites, and focuses on hazard identification, risk mitigation, employee training, standardized safety procedures, and regular audits. It also includes ongoing safety communication, periodic reviews, and continuous improvement initiatives to ensure a safe and incident-free workplace in water treatment operations.

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 a structured framework to identify hazards and assess risks across routine and non-routine activities. Key processes include Hazard Identification and Risk Assessment (HIRA), Job Safety Analysis (JSA) prior to task execution, and regular safety audits and inspections. Incident and near-miss reporting systems are used to identify trends and drive corrective and preventive actions, supported by review of historical HSE performance data.

For complex and non-routine activities, tools such as HAZOP studies and specific risk assessments are undertaken. Contractor safety management and operational control planning are integrated across design, engineering, construction, and O&M phases.

These processes are supported by regular training, stakeholder consultation, and active workforce participation. Safety performance is reviewed monthly at site level and periodically at senior management level, ensuring continuous improvement in hazard identification, risk assessment, and control measures across all operations.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. The Company has established robust processes enabling workers to report work-related hazards and remove themselves from unsafe situations without fear of reprisal. These include structured consultation and participation mechanisms, a formal grievance redressal mechanism, regular safety committee meetings, defined escalation channels, and feedback systems aligned with ISO 14001:2015 and ISO 45001:2018 standards. A dedicated system is in place for reporting near-misses,

unsafe observations, and unsafe conditions to ensure timely corrective action.

Additionally, comprehensive Hazard Identification and Risk Assessment (HIRA) and Job Safety Analysis (JSA) procedures are implemented across all sites to identify and mitigate risks prior to task execution. The near-miss reporting process further supports proactive risk identification and prevention of incidents.

The Company actively promotes a safety-first culture, empowering employees and workers to report hazards and take precautionary actions, including withdrawing from unsafe conditions. Safety performance and reported observations are reviewed regularly, with key updates presented by the CEO to the Board on a quarterly basis, reinforcing accountability and continuous improvement.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. The Company provides comprehensive access to non-occupational medical and healthcare services for all its employees, reinforcing its commitment to employee well-being beyond the workplace.

The Company offers Group Medclaim insurance coverage to employees, enabling cashless as well as reimbursement-based medical treatment for employees and their dependents, thereby supporting them in managing unforeseen healthcare expenses. In addition, periodic preventive health checkups are conducted—annually for employees aged 40 years and above, and once every two years for those below 40—facilitating early diagnosis and timely medical intervention.

To further enhance healthcare access, the Company has established tie-ups with reputed hospitals, enabling employees to avail specialized and advanced medical care. Preventive healthcare is promoted through regular health camps, wellness screenings, and expert-led awareness sessions focusing on lifestyle diseases and healthy living practices.

As part of its long-term employee welfare initiatives, the Company extends medical insurance coverage beyond retirement for employees who have completed 10 or more years of service, including coverage for their spouses, thereby supporting healthcare needs in later years.

Workers are covered under the Employees' State Insurance Corporation (ESIC), which provides medical, maternity, and disability benefits.

These initiatives collectively contribute to a healthier workforce and reflect the Company's holistic and sustained approach to employee health and well-being.

11. Details of safety related incidents, in the following format:

Safety Incident / Number	Category*	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0.28	0.34
Total recordable work-related injuries	Employees	0	0
	Workers	4	4
No. of fatalities	Employees	0	0
	Workers	1	2
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

*Including in the contract workforce

12. Describe the measures taken by the entity to ensure a safe and healthy work place:

At WABAG, providing a safe and healthy workplace is a key organizational priority across all EPC and O&M operations. The Company's approach is guided by its HSE Policy, reflecting strong leadership commitment to health, safety, and well-being.

A. Measures to Ensure a Safe Workplace

WABAG has established robust systems and processes to proactively identify, assess, and mitigate risks:

- **Safety Training and Awareness:** Comprehensive safety training is conducted at both corporate and site levels, ensuring that all employees and workers are equipped with necessary safety knowledge before undertaking tasks.
- **Risk Assessment and Work Controls:** Prior to commencement of any activity, structured processes such as Job Safety Analysis (JSA), Hazard Identification and Risk Assessment (HIRA), and Permit-to-Work (PTW) systems are implemented to ensure effective risk control.
- **Contractor Safety Management:** Contractors undergo safety induction and are required to comply with established HSE standards, with ongoing monitoring of their performance.
- **Toolbox Talks:** Toolbox talks are conducted regularly at every site to brief workers on task-specific hazards and safety precautions.
- **Audits and Monitoring:** Regular internal audits, safety committee reviews, inspections of work activities, and equipment checks enable early identification of risks and timely corrective actions.
- **Emergency Preparedness:** Emergency Response Plans (ERPs) are in place, supported by periodic mock drills to enhance preparedness for fire, evacuation, and other emergency scenarios.

- **Incident Management and Continuous Improvement:** All incidents are systematically reported, investigated, and analyzed using root cause analysis. For critical incidents, independent experts may be engaged. Learnings and corrective actions are communicated across sites to prevent recurrence, supported by targeted training.
- **Consequence Management Framework:** A structured framework ensures accountability for safety non-compliance through defined disciplinary measures, reinforcing adherence to safety protocols.

B. Measures to Ensure a Healthy Workplace

The Company adopts a preventive and holistic approach to occupational health and employee well-being:

- **Medical Fitness and Health Surveillance:** Pre-employment medical examinations are conducted to ensure fitness for work. Periodic health check-ups are carried out annually for employees above 40 years and once every two years for those below 40.
- **Special Health Measures for STP Sites:** Employees and workers at Sewage Treatment Plant (STP) locations are provided additional health protection measures, including encouragement of Hepatitis B vaccination and special vaccination drives.
- **Workplace Hygiene and Welfare:** Provision of safe drinking water, clean rest areas, and hygienic facilities across all sites.
- **Extreme Weather Protection:** Measures such as hydration support, refreshments, and adjustment of work schedules are implemented to safeguard workers during high-temperature or adverse weather conditions.
- **Occupational Health Controls:** Engineering and administrative controls, along with monitoring of workplace conditions, help minimize exposure to potential hazards.

C. Well-being, Engagement, and Culture

WABAG promotes a holistic approach to employee well-being across corporate offices and sites:

- Initiatives such as yoga sessions, sports activities, and wellness programs to support physical fitness and mental well-being.
- Awareness programs on stress management and healthy lifestyle practices.
- Active safety committees and employee engagement platforms that encourage participation in hazard identification and safety improvements.

These integrated measures collectively reinforce WABAG's commitment to safety and well-being, ensuring a safe, healthy, and supportive work environment for all employees, contractors, and associated workforce.

13. Number of Complaints on the following made by employees and workers:

Particulars	FY 2025-26 (Current Financial Year)			FY 2024-25 (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	56	0	-	63	0	-
Health & Safety	74	0	-	91	0	-

14. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working conditions	100%

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.

At WABAG, a structured and proactive approach is followed to address safety-related incidents and significant risks across EPC and O&M operations, with a strong focus on continuous improvement and prevention.

The Company has established robust operational control procedures for incident reporting, investigation, and corrective action. All safety-related incidents and near-misses are systematically identified, reported, documented, and investigated using structured root cause analysis (RCA) methodologies to determine underlying causes. For critical incidents, independent external experts are engaged to conduct detailed assessments, identify systemic gaps, and recommend appropriate corrective and preventive measures.

Based on investigation outcomes, Corrective and Preventive Actions (CAPA) are implemented on priority and tracked to closure across all business units, ensuring effective cross-functional deployment of learnings. Historical incident data, case studies, and lessons learnt are continuously used to strengthen SOPs, refine operational guidelines, and enable predictive identification of high-risk areas.

Activities that pose immediate or significant risk to health, safety, environment, or regulatory compliance are promptly halted, and corrective measures are implemented before work is resumed, ensuring effective control of critical hazards across sites.

The Company actively encourages timely reporting of incidents and near-misses through awareness initiatives and structured reporting mechanisms, enabling early identification of risks. Learnings from such events, along with safety alerts and preventive measures, are widely communicated through toolbox talks, safety meetings, and cross-site dissemination to prevent recurrence.

Regular awareness programs are conducted to strengthen understanding of key safety indicators such as Lost Time Injuries (LTI) and Medical Treatment Cases (MTC), with corrective and preventive actions shared across all SBUs for organization-wide improvement.

Given the risk profile of water treatment operations, focused interventions are implemented at EPC and O&M sites, including:

- Enhanced monitoring and controls for exposure to biological hazards and gases.
- Targeted training and awareness for safe handling of wastewater and sludge.

- Implementation of engineering controls such as ventilation systems, gas detection, and confined space safety protocols.
- Focused health protection measures, including vaccination drives and hygiene practices for personnel working at STP facilities.

Targeted safety training programs are conducted to address identified gaps, enhancing employee competency and awareness. In addition, appropriate engineering controls and process improvements—such as interlocks, sensor guards, light curtains, and pull cord systems—are implemented based on task-specific risk assessments.

Contractor participation is ensured through representation in site safety committee meetings, promoting inclusive safety governance and adherence to standards. Further, a structured consequence management framework is in place to reinforce accountability, with clearly defined roles, responsibilities, and actions for non-compliance, including retraining, formal warnings, and performance-linked measures.

Collectively, these measures ensure that safety risks, including those specific to STP operations in EPC and O&M environments, are effectively identified, addressed, and mitigated while continuously strengthening overall safety performance and organizational learning.

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).

(A) Employees - Yes

(B) Workers – Yes

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company has established controls to ensure that statutory dues relating to value chain partners are duly deducted and deposited. Contractors are required to submit proof of statutory payments for workers, including Employees' State Insurance (ESI) and Provident Fund (PF), which are verified and recorded. In addition, GST compliance by suppliers is monitored through reconciliation on the GST portal. These measures, along with periodic checks, help ensure adherence to applicable statutory requirements.

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:

Particulars	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 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Employees	--	--	--	--
Workers	1*	2*	--	--

* For the fatalities and injuries, compensation as per the statutory requirements have been given.

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)

Yes, the Company provides transition assistance programs to support continued employability and effective management of career transitions.

For employees reaching retirement, opportunities such as contract-based or consultancy roles are offered for specialist and leadership positions, based on mutual agreement and business requirements. Additionally, employees are encouraged to explore roles in other functional areas through reskilling initiatives aligned with their interests.

In cases of employment termination on performance grounds, wherever applicable, the Company extends support through its talent acquisition team, including assistance in reskilling and exploring suitable redeployment opportunities, based on the needs of the exiting employee.

5. Details on assessment of value chain partners:

Particulars	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices Working conditions	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.

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 ensures that all value chain partners adhere to its health, safety, and working condition standards through structured contractual and operational controls. The Operational Control Procedures (OCP) and relevant Standard Operating Procedures (SOPs) are shared with contractors and formally signed off to ensure alignment and compliance. In addition, a Vendor Code of Conduct is implemented, through which contractors commit to maintaining adequate health, safety, and good working conditions for their employees.

The Company conducts regular internal safety audits across its project sites and extends inspections to value chain partner locations as part of ESG assessments and quality control (QC) inspections. To further strengthen safety performance, continuous training and awareness programs are provided to contractor personnel, focusing on job-related risks and promoting safe working conditions.



Principle:

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 follows a structured and strategic approach to identify and engage with key stakeholder groups. Seven key stakeholders have been identified based on their influence on business operations, and a customized engagement strategy is implemented for each group in line with their needs and expectations.

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
Customers	No	- Customer meet/Events, - Seminars and conferences, - In-personal meetings, - Emailers, - Advertisements, - Social Media platforms, - Company website, - Exhibitions.	Regularly	Purpose and scope of engagement: - Creating awareness about the Company initiatives innovations and developments, - Ensuring customer satisfaction, - Engaging through media, champions and through interactive platform for support and brand visibility. Key topics and concern raised: - Performance and Quality, - Delivery timelines, - Customisation requirement and new application area.

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 & Workers	No	1. Emailers, 2. Open House, 3. Notice Board, 4. Company Website, 5. Announcements, 6. Trainings, 7. Social media Platform, 8. Town hall meeting, 9. Employee satisfaction survey, 10. Welfare initiatives, 11. Awards.	Regularly	Purpose and scope of engagement: 1. Employee wellbeing, 2. Sharing business update highlights, policy changes, 3. Improve Work culture, 4. Supporting career growth development. Key topics and concern raised: 1. Wellbeing requirements, 2. Performance feedback, 3. Recognitions and rewards.
Shareholders / Investors	No	1. Stock Exchanges intimations and press release, 2. Emailers, 3. Company Website, 4. Investor conferences/ Meetings, 5. Conference calls, 6. Annual General Meetings and postal ballots, 7. Social media Platform, 8. Investor Grievance cell.	1. Quarterly, 2. Half yearly, 3. Annually and Periodically (Need based).	Purpose and scope of engagement: 1. Shareholder returns and dividends, 2. Regular business updates, 3. Information on financial and ESG performance, 4. Elevating corporate value. Key topics and concern raised: 1. Climate change, 2. Diversity and inclusion, 3. Financial results.
Communities / NGO	Yes	1. Community Meetings, 2. Trainings & Workshops, 3. Company Website and Social Media. 4. Impact assessment survey.	Regular	Purpose and scope of engagement: 1. Community development initiatives based on local need interventions, 2. Skill upgradation for supporting staff, 3. Improving skill development and vocational training for youth, 4. Supporting hygiene and sanitation for public health. Key topics and concern raised: 1. Livelihood opportunities, 2. Environmental sustainability and climate resilience at local level.
Vendors / Contractors	No	1. Emailers, 2. Company Website, 3. Social Media platform, 4. Vendors meeting, 5. Supplier survey, 6. Vendors trainings.	Regular	Purpose and scope of engagement: 1. Assessment and audit of suppliers, 2. Confirming to Quality and HSE, 3. Aligning Vendors with ESG and Code of conduct, 4. Sharing updates on the ESG regulation, policies and expectations. Key topics and concern raised: 1. Repeat order, 2. On time delivery and payments, 3. Quality assurance and conformance to technical standard, 4. Regulatory ESG compliances.

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
Governments & Regulatory Authorities	No	1. Mandatory filings with regulators, 2. Interaction during inspection, 3. In person / virtual / group meetings, email corresponds, 4. Corporate announcements, 5. Industry Associations.	Regular / Need based	Purpose and scope of engagement: 1. Mandatory and non-mandatory filing/ disclosures, 2. License request and renewal, 3. Business contributions to development. Key topics and concern raised: 1. Compliance and regulations.
Lending institutions	No	1. Meetings, 2. Emailers, 3. Company website and Social media platform, 4. Site Visits.	Regular / Need based	Purpose and scope of engagement: 1. Business funding, 2. Timely fund release, 3. E&S performance. Key topics and concern raised: 1. Compliance to E&S standards.
Rating agencies	No	1. Email correspondence, 2. Annual report, 3. Financial and non-financial Disclosures, 4. Company Website, 5. Meetings.	Annual	Purpose and scope of engagement: 1. Bank's access to capital, influencing interest rates. Key topics and concern raised: 1. Compliance to ESG.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Company has identified dedicated teams that actively engage with specific stakeholder groups. Feedback received from each stakeholder group is systematically communicated to the respective Board-level committees. These committees review the feedback and initiate appropriate actions to enhance the Company's practices.

The Company follows a structured approach to stakeholder consultation and feedback collection. It has established a "Sustainability Executive Committee (SEC)" and a "Sustainability Working Group (SWG)," with clearly defined roles and responsibilities for each member. The SEC and SWG operate under the guidance of the Board of Directors. Through this framework, stakeholder updates and concerns are presented to the Board on a quarterly basis.

Sustainability Committee: Oversees ESG performance, tracks progress, and ensures compliance with relevant regulations and standards.

Corporate Social Responsibility (CSR) Committee: Monitors the performance of CSR projects and ensures compliance with applicable regulatory requirements and standards.

Stakeholders' Relationship Committee: Oversees the resolution of security holders' grievances, ensures adherence to investor service standards, facilitates effective exercise of shareholders' voting rights, and monitors measures taken to reduce unclaimed dividends and address other matters related to security holders, as delegated by the Board.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Yes. For example, the Company addressed livelihood restoration for the community identified as affected persons / households through stakeholder consultation, in projects where the Company has the responsibility as a project developer. The inputs received from consulting firm to connect with people have been incorporated 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 is committed to ensuring accessibility and inclusivity for all stakeholders, including vulnerable and marginalized groups. To address the needs of marginalized communities near certain project sites, the Company has supported initiatives such as the renovation of community halls, enabling the conduct of cultural activities, social events, and marriage functions.

Furthermore, the Company implements various need-based community development programs aligned with its identified CSR focus areas, including education and livelihoods, healthcare, environment, and sustainable development. For instance, at one of our project locations, we supported 11 identified Livelihood Restoration Plan (LRP) beneficiaries and identified a total of 32 members, providing them with employment support. These programs are designed to uplift and empower marginalized communities.



Principle:

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 2025-26 (Current Financial Year)			FY 2024-25 (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	1,234	1,234	100%	1,000	1,000	100%
Other than permanent	109	109	100%	272	272	100%
Total Employees	1,343	1,343	100%	1,272	1,272	100%
Workers						
Permanent	0	0	0%	0	0	0%
Other than permanent	169	169	100%	0	0	0%
Total Workers	169	169	100%	0	0	0%

All employees and workers are provided with comprehensive information on the Company's policies, including the Human Rights Policy, during their induction program, ensuring clear understanding and awareness from the time of joining. The Company's Human Rights Policy, which reflects its commitment to upholding human rights across its operations and value chain globally, is also made easily accessible on the Company's website for continuous reference.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (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	1,234	-	-	1,234	100%	1,000	-	-	1,000	100%
Male	1,109	-	-	1,109	100%	920	-	-	920	100%
Female	125	-	-	125	100%	80	-	-	80	100%
Other than Permanent	109	-	-	109	100%	272	-	-	272	100%
Male	96	-	-	96	100%	227	-	-	227	100%
Female	13	-	-	13	100%	45	-	-	45	100%

Category	FY 2025-26 (Current Financial Year)					FY 2024-25 (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										
Permanent	0	-	-	0	0%	-	-	-	-	-
Male	0	-	-	0	0%	-	-	-	-	-
Female	0	-	-	0	0%	-	-	-	-	-
Other than Permanent	169	-	-	169	100%	-	-	-	-	-
Male	166	-	-	166	100%	-	-	-	-	-
Female	3	-	-	3	100%	-	-	-	-	-

3. Details of remuneration/salary/wages

a. Median Remuneration / wages:

Particulars	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	4,52,72,036	-	-
Board of Directors (BoD) [Non-Executive Directors (including Independent Directors)]	3	20,00,000	1	20,00,000
Key Managerial Personnel (KMP)	6	1,70,91,975	-	-
Employees other than BoD and KMP	1,199	7,65,910	138	5,44,138
Workers	166	59,714	3	59,336

b. Gross wages paid to females as % of total wages paid by the entity, in the following format:

Particulars	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Gross wages paid to females as % of total wages	5.64%	5.19%

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 Company has established structured internal mechanisms to address grievances related to human rights issues. The Human Rights Policy outlines the grievance redressal framework in detail and is made available on the Company's website for easy access and reference. A formal grievance redressal system is in place through which the employees and stakeholders can raise concerns, which are addressed and resolved in a timely manner. In addition to the general mechanism, the Company has constituted a POSH Committee to address issues related to prevention of sexual harassment and a Whistle Blower mechanism supported by a dedicated policy to report ethical concerns and violations.

6. Number of Complaints on the following made by employees and workers:

Particulars	FY 2025-26 (Current Financial Year)			FY 2024-25 (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	0	Resolved	-	-	-
Discrimination at workplace	0	0		-	-	-
Child Labour	0	0		-	-	-
Forced Labour / Involuntary Labour	0	0		-	-	-
Wages	0	0		-	-	-
Other human rights related issues	0	0		-	-	-

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

We regularly conduct POSH (Prevention of Sexual Harassment) related training at our offices and at sites to create awareness among the employees and the workers about their rights, the legal framework, and the procedures for addressing and reporting sexual harassment at the workplace.

Particulars	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	0
Complaints on POSH as a % of female employees / workers	0.75%	0
Complaints on POSH upheld	1	0

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

WABAG has established a robust framework to address grievances and uphold human rights across the organization. The Whistle Blower Policy enables the employees to report concerns related to wrong practices, discrimination, unethical behaviour, or harassment without any fear of retaliation. The policy ensures strict confidentiality of the complainant's identity and provides a secure and transparent mechanism for raising concerns.

In addition, WABAG's Policy on Prevention of Sexual Harassment (POSH) provides a structured approach to safeguard the employees, particularly women, against workplace harassment. Dedicated POSH Committees are constituted at all locations to receive the complaints, ensure timely and fair investigations, and take appropriate action in line with the regulatory requirements.

The Company's Code of Conduct further reinforces expected standards of behaviour, requiring all the employees to act responsibly, ethically, and with mutual respect in their interactions. Together, these mechanisms ensure that grievances are effectively addressed, rights are protected, and a safe, inclusive, and respectful work environment is maintained across all operations.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes

10. Assessments for the year:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child Labour	
Forced / involuntary labour	Yes, all work places are assessed by WABAG's in house HR and IR team / internal audit team.
Sexual Harassment	
Discrimination at workplace	Assessment by external team is done on random sampling basis in WABAG.
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 2025-26 for human rights violation.

2. Details of the scope and coverage of any Human rights due-diligence conducted.

WABAG is committed to upholding human rights and ethical business practices in alignment with the principles of the United Nations Global Compact (UNGC). The Company integrates human rights considerations into its operations through a framework of policies and management systems, including the Environment, Health & Safety (EHS) Policy, Code of Conduct (CoC), Whistle Blower Policy, and Equal Opportunity Policy, which collectively reinforce fairness, inclusion, and respect across all operations.

The scope of human rights due diligence covers the Company's workforce across offices and project sites, including the employees, contract workforce, and relevant value chain partners engaged in EPC and O&M projects. The Equal Opportunity Policy, available on the Company's website, ensures non-discrimination and equal employment opportunities, while the CoC, applicable to the Board, senior management, and the employees, reinforces ethical conduct and respect for human rights, supported by the annual declarations of compliance.

In addition, the Company has implemented a Policy on Prevention of Sexual Harassment of Women at Workplace in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013, applicable across all establishments of the Company. Human rights and EHS compliance are further monitored through periodic audits and

inspections conducted by the EHS function, covering offices, project sites, and selected value chain partners, thereby ensuring ongoing oversight and reinforcement of human rights principles across the operational ecosystem.

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 ensures accessibility for differently abled visitors at its Head Office, WABAG House (Chennai), which is designed in line with the applicable statutory requirements under the Rights of Persons with Disabilities Act, 2016. At project sites / offices, which are primarily client-owned facilities, the Company makes best efforts to facilitate accessibility for differently abled visitors to the extent feasible, subject to site-specific conditions and constraints.

4. Details on assessment of value chain partners:

Particulars	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Sexual Harassment	
Discrimination at Workplace	
Child Labour	
Forced Labour / Involuntary Labour	NA
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

06

Principle:

Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
From renewable sources		
Total electricity consumption (A) (MJ)	58,22,036	32,37,178
Total fuel consumption (B) (MJ)	-	-
Energy consumption through other sources (C) (MJ)	-	-
Total energy consumed from renewable sources (A+B+C) (MJ)	58,22,036	32,37,178
From non-renewable sources		
Total electricity consumption (D) (MJ)	15,10,889	75,35,154
Total fuel consumption (E) (MJ)	1,54,89,483	2,54,95,525
Energy consumption through other sources (F) (MJ)	-	-
Total energy consumed from non-renewable sources (D+E+F) (MJ)	1,70,00,372	3,30,30,679
Total energy consumed (A+B+C+D+E+F) (MJ)	2,28,22,408	3,62,67,857
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations) (in MJ/Mn-INR)	694.87	1,262.02*
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP) (in MJ/PPP Mn- USD)	14,133.72	26,073.28*
Energy intensity in terms of physical output		
Energy intensity (optional) – the relevant metric may be selected by the entity	N.A	N.A

Note: In accordance with International Monetary Fund (IMF) data, the PPP adjustment factor used is 20.66 for FY 2024–2025 and 20.34 for FY 2025–2026.

*FY 2024-2025 Calculation is updated as per the Industry standard note on BRSR Core Guidelines and this method will be followed in upcoming years.

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.

Yes. KBS Certification Services Limited.

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:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water (in kilolitres)	0	0
(ii) Groundwater (in kilolitres)	2,013	1,774
(iii) Third party water (Drinking Water) (in kilolitres)	94,261	3,416
(iv) Seawater / desalinated water (in kilolitres)	0	0
(v) Others (in kilo litres)	4,601	4,522
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1,00,875	9,712
Total volume of water consumption (in kilolitres)	98,081	9,712

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water intensity per rupee of turnover (Total water consumption / Revenue from operations) (in kilolitres/Mn-INR)	2.99	0.34*
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP) (in kilolitres/PPP Mn USD)	60.74	6.98*
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: In accordance with International Monetary Fund (IMF) data, the PPP adjustment factor used is 20.66 for FY 2024–2025 and 20.34 for FY 2025–2026.

*FY 2024-2025 Calculation is updated as per the Industry standard note on BRSR Core Guidelines and this method will be followed in upcoming years.

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. -

Yes. KBS Certification Services Limited.

Note: The Boundary is expanded from the Offices to the whole EPC and O&M sites.

4. Provide the following details related to water discharged:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (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	2,794	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.

Yes. KBS Certification Services Limited.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Yes. The Company has implemented a Zero Liquid Discharge (ZLD) mechanism at its Corporate Office (WABAG House, Chennai), which is also certified as a Platinum-rated Green Building by IGBC. A 50 KLD Sewage Treatment Plant (STP) is installed to treat all domestic wastewater generated within the premises. The treated water is fully recycled and reused for gardening and flushing applications, ensuring complete internal reuse of water. As a result, no treated or untreated liquid is discharged outside the boundary of WABAG House, thereby achieving a zero liquid discharge condition at the site.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
NOx	µg/m ³	18.7	17.5
SOx	µg/m ³	9.4	8.9
Particulate matter (PM)	µg/m ³	26.9(10), 11(2.5)	32.8(10), 15.1(2.5)
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others – please specify	-	-	-

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. No

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (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	1,648	1,764
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	298	1,552
Total Scope 1 and Scope 2 emission intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	tCO ₂ e/Mn-INR	0.06	0.12*
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)	tCO ₂ e/ PPP Mn-USD	1.21	2.38*
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: In accordance with International Monetary Fund (IMF) data, the PPP adjustment factor used is 20.66 for FY 2024–2025 and 20.34 for FY 2025–2026.

*FY 2024-2025 Calculation is updated as per the Industry standard note on BRSR Core Guidelines and this method will be followed in upcoming years.

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.

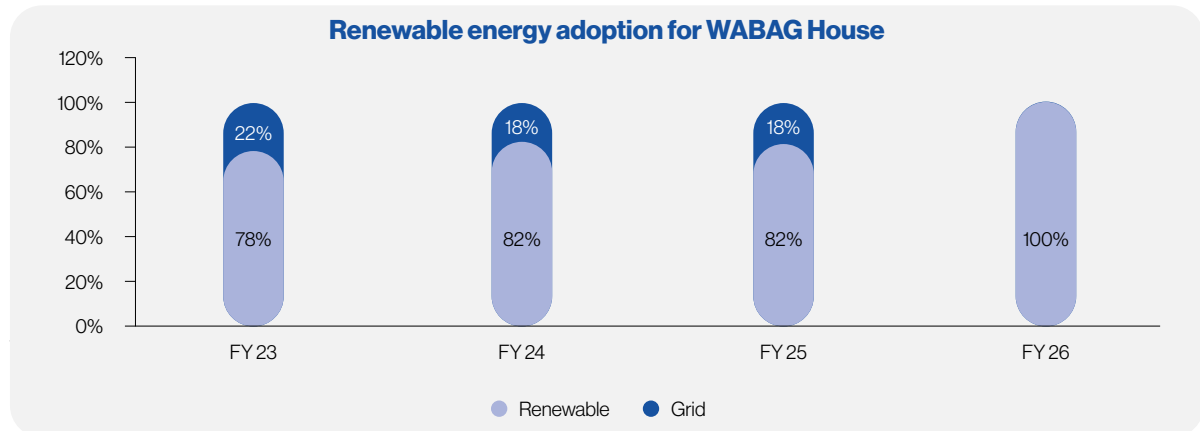
Yes. KBS Certification Services Limited.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes, the entity has undertaken several projects aimed at reducing Greenhouse Gas (GHG) emissions. Some of the key initiatives are outlined below:

1. Renewable Power Procurement – Global Head Office (WABAG House)

The Company successfully transitioned its Global Head Office, WABAG House, to 100% renewable power in FY 2026, marking a significant milestone in its decarbonization journey. This initiative builds on a steady increase in renewable energy adoption over the past



The transition has been enabled through strategic procurement of renewable energy, ensuring reliability while aligning with sustainability goals. As a direct outcome, the project has delivered an annual reduction of **approximately 797 tCO₂e emissions**, contributing meaningfully to the Company's climate commitments and carbon footprint reduction targets.

2. Renewable Power – 400 MLD Desalination Project, Perur

The Company has integrated renewable energy into the 400 MLD desalination project at Perur, marking its first EPC project significantly powered by renewable sources. Through third-party power procurement mechanisms, renewable power has been effectively leveraged to support energy-intensive construction activities, demonstrating the feasibility of decarbonizing large-scale infrastructure projects. About 86% of the site's power consumption was sourced from renewables in the last financial year, resulting in a **reduction of 346 tCO₂e emissions**.

The Company is now progressing **towards 100% renewable power usage**, reinforcing its commitment to low-carbon and sustainable project execution.

3. Solar Power Installation – International Projects (Zambia)

Continuing its decarbonization efforts, the Company has installed 7 kW rooftop solar power systems on the porta cabins across two international EPC projects in Zambia to support site energy needs. These installations have resulted in an estimated reduction of 6 tCO₂e emissions.

This initiative highlights the Company's commitment to integrating renewable energy solutions across global operations and advancing low-carbon project execution.

4. Energy Efficiency Improvements – Pumping Stations, Ajmer

Under its ESCO-based O&M services, the Company is upgrading pumping stations in Ajmer by replacing conventional pumps with energy-efficient models and rectifying pipeline inefficiencies. The Company has upgraded successfully 2 out of 3 pumping stations.

The initiative has delivered energy savings of ~25,72,047 kWh, resulting in a reduction of 1,826 tCO₂e emissions. This project demonstrates the effectiveness of performance-linked ESCO solutions in reducing energy costs and supporting decarbonisation goals.

5. Power Optimization Studies – O&M Sites

Power optimisation studies have been initiated across multiple Operations & Maintenance (O&M) sites to enhance energy efficiency and reduce emissions. Energy consumption is being systematically monitored and analysed to identify optimisation opportunities and improve overall system performance.

The initiative supports efficient resource utilisation, cost reduction, and the Company's broader decarbonisation objectives.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A) (in metric tonnes)	0.117	0.124
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	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)	3.994	3.978
Total (A+B+C+D+E+F+G+H)	4.111	4.102
Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)(in metric tonnes/Mn-INR)	0.00013	0.00014*
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP) (in metric tonnes/PPP Mn-USD)	0.00255	0.00295*
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	4.111	4.102
(ii) Re-used	0	0
(iii) Other recovery operations	0	0
Total	4.111	4.102
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0	0
(ii) Landfilling	0	0
(iii) Other disposal operations	0	0
Total	0	0

Note: In accordance with International Monetary Fund (IMF) data, the PPP adjustment factor used is 20.66 for FY 2024–2025 and 20.34 for FY 2025–2026.

*FY 2024-2025 Calculation is updated as per the Industry standard note on BRSR Core Guidelines and this method will be followed in upcoming years.

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.

WABAG's Environmental Management System is certified under ISO 14001:2015 Integrated Management System, covering all EPC projects, O&M sites, head office, and regional offices. This ensures a structured and compliant approach to environmental and waste management across all operations. Each site operates with a location-specific Waste Management Plan, designed based on the type and quantity of waste generated and applicable disposal methods. The plans ensure effective segregation, storage, collection, and disposal of waste through authorized agencies only, in compliance with applicable statutory requirements. The Company follows the 5R principle – Refuse, Reduce, Reuse, Recover, and Recycle, to minimise waste generation and promote resource efficiency in line with circular economy principles. Waste is carefully managed throughout the project lifecycle to ensure minimal environmental impact. Hazardous waste, wherever generated, is handled in strict accordance with applicable regulations, including authorisations from the Central and State Pollution Control Boards. Such

waste is stored and disposed of only through government-authorised waste management agencies. To strengthen implementation, regular training and awareness programmes are conducted for the employees and contract workers, ensuring responsible waste handling practices at all levels.

- 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
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Not Applicable.

- 12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:**

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
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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).**

Yes, the Company is compliant with the applicable Act(s) and Rule(s).

If not, provide details of all such non-compliances, in the following format:

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
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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:

- Name of the area -
- Nature of operations -
- Water withdrawal, consumption and discharge in the following format:

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-

Parameter	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
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	Unit	FY 2025-26 (Current Financial Year)	FY 2024-25 (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	18,76,329	21,86,476
Total Scope 3 emissions per rupee of turnover (in metric tonnes/Mn-INR)		57	76*
Total Scope 3 emission intensity (optional) (Total waste generated / Revenue from operations adjusted for PPP) (in metric tonnes/PPP Mn-USD)		1,162	1,572*

Note: In accordance with International Monetary Fund (IMF) data, the PPP adjustment factor used is 20.66 for FY 2024–2025 and 20.34 for FY 2025–2026.

*FY 2024-2025 Calculation is updated as per the Industry standard note on BRSR Core Guidelines and this method will be followed in upcoming years.

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.

Yes. KBS Certification Services Limited.

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.	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	

- 5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.**

Yes. WABAG has a formal Business Continuity Plan (BCP) to ensure preparedness for responding, recovering, and restoring operations during disruptions. A comprehensive Disaster Management and Emergency Response Plan is implemented as part of the EHS Management System across all EPC, manufacturing, and O&M sites. These plans are site-specific and developed based on local conditions and potential risk scenarios such as natural calamities, major fires, industrial accidents, toxic gas or chemical releases, and disease outbreaks. The plans define emergency response structures, including Emergency Response Teams with clearly defined roles and responsibilities, communication protocols, emergency contact details, designated assembly points, and step-by-step response flow charts. Relevant employees, subcontractors, and contractual workers are trained and made aware of these procedures. The BCP additionally ensures continuity of critical operations related to assets, workforce safety, and IT/security systems, thereby supporting uninterrupted delivery of essential water and wastewater services during emergencies.

- 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.

- 8. How many Green Credits have been generated or procured?**

- a. By the listed entity**

Nil

- b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners**

Nil

07

Principle:

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.**

12

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 and Industry (FICCI)	National
3	Export Credit guarantee Corporation of India (ECGC)	National
4	International Water Association (IWA)	International
5	International Desalination and Reuse Association (IDRA)	International
6	British Safety Council (BSC)	International
7	Indo-German Chamber of Commerce (IGCC)	International
8	Madras Chamber of Commerce & Industry (MCCI)	State
9	Madras Management Association (MMA)	State
10	Engineering Export Promotion Council of India (EEPC)	National
11	Associated Chambers of Commerce and Industry of India (ASSOCHAM)	National
12	Indian Chamber of Commerce (ICC)	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.

There was no issue related to anti-competitive conduct by the entity during the year.

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.	a. Being part of various forums organized by Central and State Govt. as a thought leader. b. Being an active member of various groups in employer's association like CII, FICCI, ASSOCHAM etc.	Yes the information were available in Company's website and social media handles.	Every quarter and as and when required.	Website: www.wabag.com LinkedIn: https://www.linkedin.com/company/va-tech-wabag-ltd/

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
2	"Desalination" as a viable and sustainable alternative across the coastal regions.	c. Through publishing various articles and industry journals.			Facebook: https://www.facebook.com/Wabag/
3	"Renewable energy/Green energy from Bio-gas" to make STP's self-sufficient and environment protection.	d. Sponsoring various initiatives by Govt. bodies and Private entities.			Twitter: https://twitter.com/vatechwabag
4	Total Resource Recovery.	e. Appointing our senior leader in responsible decision making position for various industrial bodies.			Instagram: https://www.instagram.com/va_tech_wabag/
5	Sustainable Management of City Wastewater Infrastructure - OCOO.	f. Through organising national conference from the House of WABAG.			YouTube: https://www.youtube.com/c/VATECHWABAG
6	Rejuvenation of Indian rivers through Sustainable wastewater management.				

08

Principle:

Businesses should promote inclusive growth and equitable development

Essential Indicators

- Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

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					

- Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Any R&R, if any, is the customer's contractual responsibility, not the Company's.

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						

- Describe the mechanisms to receive and redress grievances of the community.**

The Company has established a structured Grievance Redressal Mechanism (GRM) to receive and address concerns from the community. Grievances may be submitted directly or through NGOs and other local stakeholders. Multiple channels are available for raising concerns, including verbal communication, email, grievance/complaint boxes at project sites, and dedicated support helpline numbers. All grievances are systematically recorded in a Grievance Redressal Committee (GRC) register, particularly in multilateral-funded and other key projects. Each case is tracked and addressed at the project level to ensure timely resolution and effective closure, with appropriate corrective actions where required. This mechanism ensures transparency, responsiveness, and continuous engagement with the community.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

Particulars	FY 2025-26 (Current Financial Year)	FY 2024-25 (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

Particulars	FY 2025-26 (Current Financial Year)	FY 2024-25 (Previous Financial Year)
Rural	5.10%	0.06%
Semi-urban	5.33 %	3.61%
Urban	9.84%	9.90%
Metropolitan	79.73%	86.43%

(Place to be categorized as per RBI Classification System - rural / semi-urban / urban / metropolitan)

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
No actions required to be taken by the Company.	

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			

3. a. Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized / vulnerable groups? (Yes/No).If NA, provide details.

Yes. The Company has a Preferential Procurement Policy (available at www.wabag.com) that establishes guidelines and processes to support and document procurement decisions. The policy ensures fair and equitable treatment of all suppliers, including those from marginalized and vulnerable groups. Procurement is primarily governed by contractual requirements, and vendors are selected from approved lists specified by the Company'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:

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.	128	N.A
2	Kalagi (Karnataka State) Rural Water Automation.	2500+	N.A



Principle:

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 of the Company defines the framework for receiving, reviewing, and addressing customer complaints and feedback arising from its services. The policy is publicly available on the Company's website viz Policy-on-Grievance-Redressal.pdf (www.wabag.com). Complaints received from the customers are formally logged and tracked, and are addressed through defined internal escalation mechanisms to ensure timely resolution. The status and timely closure of complaints are monitored by the Senior Management team to ensure effective grievance redressal and continuous service improvement.

2. Turnover of products and / services as a percentage of turnover from all products / service that carry information about:

Particulars	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:

Particulars	FY 2025-26 (Current Financial Year)			FY 2024-25 (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

Particulars	Number	Reasons for recall
Voluntary recalls	-	-
Forced recalls	-	-

5. Does the entity have a framework / policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, the Company has a framework/ policy on cyber security and risks related to data privacy, available at <https://www.wabag.com/wp-content/uploads/2025/07/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 breaches 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 B2C consumer products, so this is not applicable.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

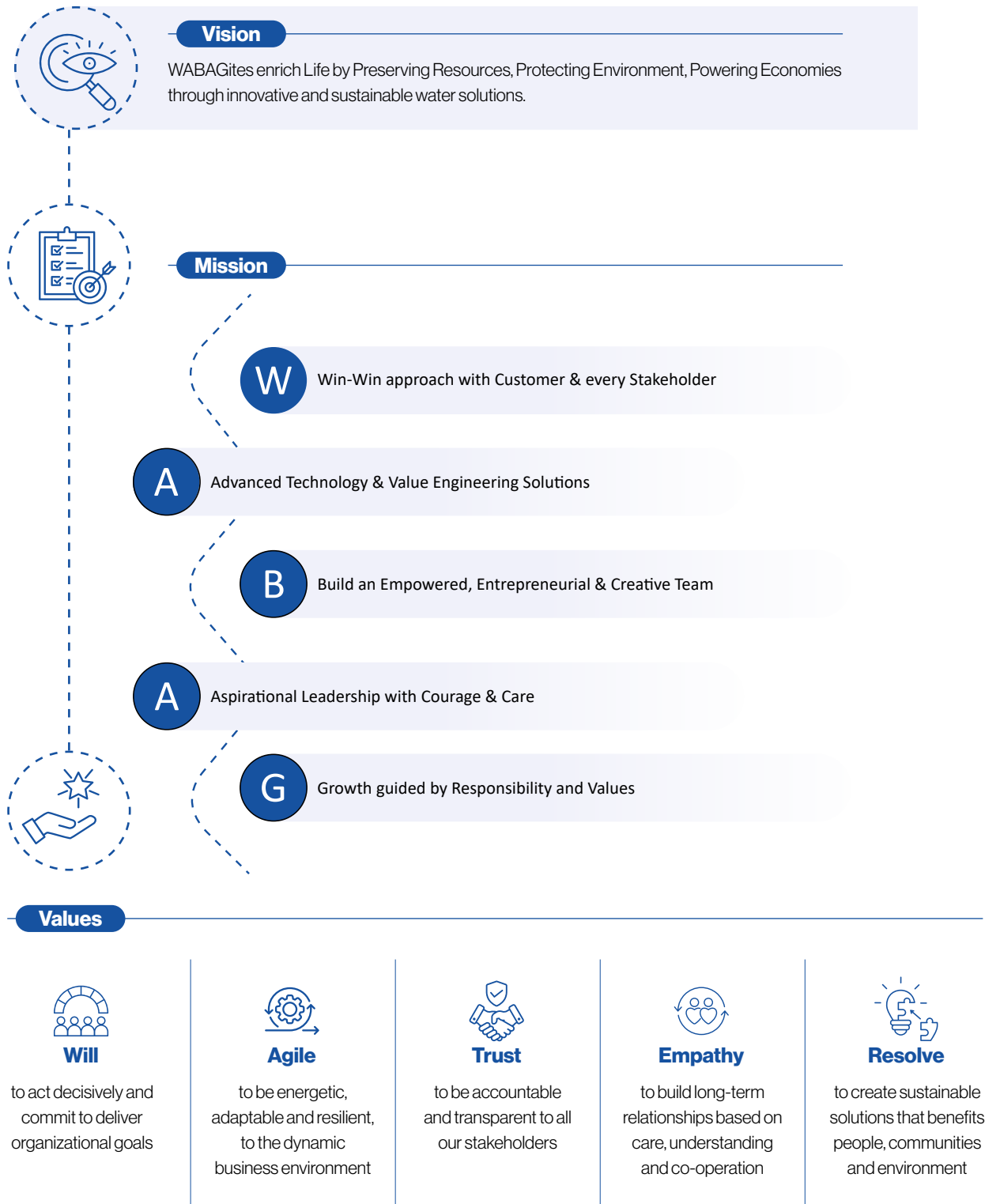
The Company ensures continuity of essential water and wastewater services through planned and preventive maintenance activities designed to minimise any disruption. In case of unavoidable or planned service interruptions, advance intimation is provided to municipal clients through letter/email communication, following which the municipalities issue public notices in newspapers. For industrial customers, prior intimation is provided through direct communication channels, ensuring adequate time for necessary arrangements and minimal inconvenience to end users.

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 does not manufacture or sell consumer products covered under product labelling or disclosure requirements under local laws. The Company is engaged in water and wastewater treatment infrastructure services and does not have retail or consumer product offerings requiring such disclosures. However, the Company continuously engages with its municipal and industrial clients through structured project review mechanisms, performance monitoring, and feedback during project execution and operation & maintenance phases to ensure service quality and stakeholder satisfaction.

REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE



WABAG Culture Pillars – ACCE & “We Can! We Will!” – a Culture Sensitization Drive

As part of our Centenary celebrations, WABAG launched our renewed Vision, Mission, Values, and Culture Pillars — defining the behaviours that will shape our future. While the Vision and Mission set our strategic direction, the Culture Pillars define how we are expected to work and collaborate.

WABAG’s Culture Pillars — ACCE:

- **Accountability** for **Results**
- **Collaboration** for **Relationships**
- **Customer Focus** for **Development & Engagement**
- **Entrepreneurship** for **Growth**

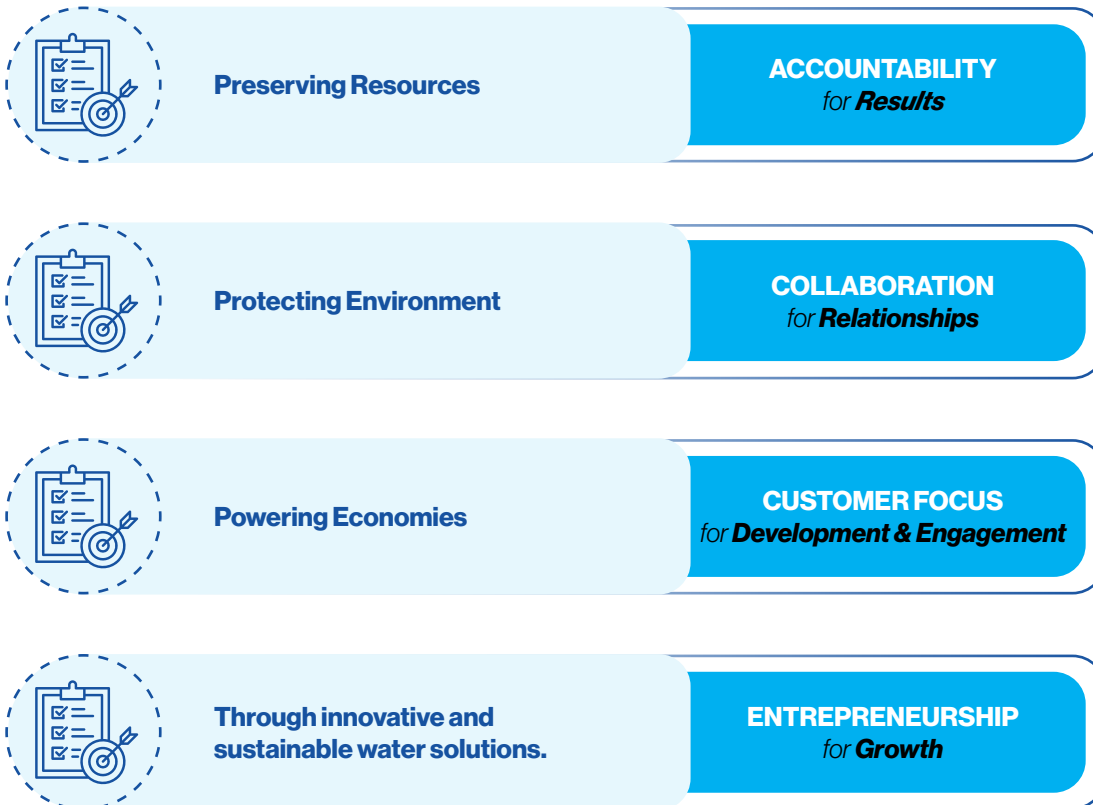
To embed these behaviours across our organization, we launched a campaign called “**We Can! We Will!**” — a culture sensitization initiative translating the four Culture Pillars into everyday workplace practice. “**We Can**” reflects confidence in our collective capability; “**We Will**” signifies our commitment to living these behaviours daily.

L&D function and the Leadership team at WABAG led the campaign’s design, communication, and engagement — driving organization-wide awareness and adoption of our Centenary culture through leadership communication, storytelling, quizzes, contests, learning sessions, and recognition initiatives.

The campaign reinforced a core belief: **culture is built through consistent action, not communication alone.**

Our Vision & Culture Align Together

WABAGites enrich Life by



Ethics/Governance Policies

Your Company is committed to conducting its businesses and nurturing relationships through a framework of accountability and distinction. Your Company adheres to global benchmarks to ensure veracity, transparency, independence and integrity in all its stakeholders engagements. To standardise these values, WABAG has implemented comprehensive codes and which serve as a roadmap for ethical conduct. Some of these codes and policies as under are placed on the website of WABAG at <https://www.wabag.com/Investors>:

- 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
- Equal Opportunity Policy
- Policy on Business Responsibility and Sustainability Report
- Policy on Cyber Security and Data Privacy
- Policy on Grievance Redressal
- Policy on Human Rights
- Preferential Procurement Policy
- Sustainability Policy
- Code of Conduct for Prevention of Insider Trading
- Policy on Anti-Bribery and Anti-Corruption
- Policy on Conflict of Interest
- Prevention of Sexual Harassment (POSH) Policy
- Environmental Policy

During the year under review, *inter-alia* the Secretarial Compliance and Corporate Governance functions of your Company were successfully certified by Bureau Veritas under internationally recognised standards, namely ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018, reaffirming your Company's commitment to robust governance practices, quality management, environmental responsibility, and occupational health & safety standards.

II. BOARD OF DIRECTORS

a. Board Composition & Category of Directors

The Board of Directors ("the Board") remains steadfast in discharging its fiduciary responsibilities, recognises its obligations towards all its Stakeholders to uphold highest standards of Corporate Governance in all matters relating to the Company. The Board has empowered capable human capital to implement its broad policies and guidelines and has established adequate review mechanisms. Your Board *inter-alia*, focuses on strategic planning, risk management, compliances, 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 practices across the WABAG Group. The Independent Directors of the Company plays a pivotal role by providing objective and impartial judgement on Board matters. Their oversight extends across critical areas including strategic initiatives, policies formulation, operations, risk management and overall governance, amongst other aspects, thereby strengthening the Company's overall governance framework.

Your Company's day to day affairs are primarily managed by adept executive and business team functioning under the strategic guidance of the Chairman and Managing Director, Whole Time Director & Chief Growth Officer (CGO), Chief Executive Officer(s) and Chief Financial Officer(s) of the Company. Your Board and other Senior management team oversees the management functions and protects long-term interest of its Stakeholders through the adoption of global industry benchmarks.

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 the Directors are as follows:

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

b. Independent Directors' selection process

Taking into account the skill sets required by the Board for the nature of the business and the Company's strategic needs, eminent individuals with distinguished independent standing in their respective field or profession who can effectively contribute to the Company's business, strategy and policy decisions are considered for appointment and re-appointment as the Independent Directors by the Nomination & Remuneration Committee (NRC).

For the selection of the Directors, the NRC considers the (i) qualification, (ii) positive attributes, (iii) area of expertise, (iv) the skill sets required by the Directors, (v) number of Directorship & Membership held in various committees of other companies by such persons, and (vi) determining directors' independence. The Board considers the NRC's recommendations, takes appropriate decisions and recommends the proposal to the Members 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 position(s) which may affect their status as an Independent Director, submit necessary disclosures and declarations to the Board confirming that they continue to meet the criteria of independence as provided under the Act and the SEBI LODR.

c. Board Members' Familiarization Programmes

Various key documents viz., (i) Company's corporate profile, (ii) Mission, Vision, Work Ethics & General Business Principles, (iii) Organisation Structure, (iv) Company's history and milestone achievements, (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 details etc., are provided to the Board Members.

The Board is also periodically apprised of the Company's operational landscape through detailed presentations on (i) business and performance updates, (ii) global business environment, (iii) risk management frameworks, (iv) Company's policies, (v) subsidiaries performance and (vi) evolving regulatory changes affecting both the corporate sector and the water industry and other relevant issues. The familiarization programmes are designed to familiarise the Directors with

Company's policies and business and to remain agile in response to business and regulatory shifts.

The details of such familiarization programmes for the Independent Directors are available on the website of the Company at <https://www.wabag.com/investor-communications/>.

d. Meetings of the Independent Directors

The Independent Directors of the Company convene at least one separate meeting every financial year without the presence of the Non-Independent Directors and management personnel, pursuant to Regulation 25 of the SEBI LODR and Schedule IV of the Act. Such meetings enable the Independent Directors to discuss the matters *inter-alia* pertaining to the Company's affairs and other matters mandated under the SEBI LODR and Schedule IV to the Act. Following these deliberations, the Independent Directors share their collective perspectives and recommendations with the Executive Directors. During the FY 2025-26, One (1) separate meeting of the Independent Directors was held on November 06, 2025.

Terms and Conditions of Appointment

Upon appointment to the Board, Independent Director(s) are issued with a formal letter of appointment *inter-alia* outlining, the terms of appointment, roles, functions, duties and responsibilities, the Company's Code of Conduct, policies, including the confidentiality and disclosure norms. A specimen of the Independent Directors' appointment letter is available on the website of the Company <https://www.wabag.com/wp-content/uploads/2020/08/Independent-Director-Appointment-Letter.pdf>. The specimen letter is subject to review and amendments as per the recommendations of the NRC / Board, from time to time.

e. Code of Conduct

The Board has adopted a Code of Conduct for Board Members and Senior Management Personnel of the Company ("the Code"), pursuant to the Regulation 17(5) of the SEBI LODR. The Code is available on the website of the Company at www.wabag.com/investors/. Pursuant to Regulation 26(3) of the SEBI LODR, all the Board members and Senior Management Personnel affirm annual compliance with the Code. A declaration on this effect signed by the Chairman & Managing Director is annexed 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, 2026 [#]		Number of Committee Chairmanships / memberships held in other public limited companies as on March 31, 2026 ^{##}		Board meetings during the FY 2025-26		Whether attended the previous AGM held on August 12, 2025	No. of Equity Shares held in the Company ^{ss}
				Chairman	Director	Chairman	Member	Held	Attended [§]		
1	Mr. Rajiv Mittal	01299110	CMD	-	-	-	-	5	5	Yes	97,09,406
2	Mr. S. Varadarajan	02353065	WTD & CGO	-	-	-	-		5	Yes	21,85,762
3	Mrs. Vijaya Sampath	00641110	NEID & IWD	-	5	1	3		5	Yes	Nil
4	Mr. Milin Mehta	01297508	NEID	-	6	6	2		5	Yes	Nil
5	Mr. Ranjit Singh	01651357	NEID	-	2	1	1		4	Yes	Nil
6	Mr. Amit Goela	01754804	NENID	-	2	-	1		4	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 / Managing Director in any listed company, does not hold the position of the 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 (considering only Audit Committee and Stakeholders' Relationship Committee) across all public limited companies in which he/she is a Director.

[§] Attendance includes participation through Video Conference (VC)/Other Audio Visual Means (OAVM).

^{ss} No convertible instruments were held by the Directors.

Notes:

- None of the Directors are related *inter-se*.
- During the FY 2025-26, five (5) Board meetings were held i.e., on May 21, 2025, August 12, 2025, November 07, 2025, February 04, 2026 and March 27, 2026. 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 during the FY 2025-26.

g. Name of the listed entities (other than WABAG), where a Director is holding directorship as on March 31, 2026:

Sr. No.	Name of the Director	Name of other listed entities	Category
1	Mr. Rajiv Mittal	Nil	NA
2	Mr. S. Varadarajan	Nil	NA
3	Mr. Amit Goela	a. Aptech Limited	Non-Executive Non-Independent Director
		b. Inventurus Knowledge Solutions Limited	Nominee Director
4	Mr. Milin Mehta	a. Styrenix Performance Materials Limited	Non-Executive Independent Director
		b. 5paisa Capital Limited	
		c. Atlanta Electricals Limited	

Sr. No.	Name of the Director	Name of other listed entities	Category
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. Mankind Pharma Limited c. Ingersoll-Rand (India) Limited d. Intellect Design Arena Limited	Non-Executive Independent Director

h. Board Skills

Your Company is governed by a diverse, dynamic and a vibrant Board of Directors. Collectively the Board possesses the requisite specialised skills, expertise and experience and deep industry experience essential to drive for the Company's business objectives. To ensure effective oversight and strategic leadership, the Board has identified *inter-alia* the following core competencies and skills:

- **Strategic & Operational Management:** Deep expertise in formulating corporate strategy, executing large-scale project management, and driving operational efficiency.
- **Financial & Compliance Governance:** Comprehensive knowledge of corporate finance, accounting methodologies, risk management, and statutory or technical compliance frameworks.
- **Industry & Sector Insights:** Rich hands-on experience and deep strategic insights into the core water infrastructure and engineering sectors.
- **Global Business Scale:** A proven track record of successfully managing, scaling, or overseeing complex domestic and international business operations.
- **Technical & Leadership Synergy:** Advanced technical expertise blended with robust strategic management and organizational leadership skills.

The following core skills, expertise, competencies identified by the Board of Directors required for effective functioning as essential for the Company's business(es) and its sectors, which are collectively possessed by the Board. The name of the directors possessing the identified skills / expertise / competencies are given below:

Area of Skills/Expertise/Competencies	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	✓	✓	✓	✓	✓	✓
Behavioural Competencies	✓	✓	✓	✓	✓	✓
Sustainability & ESG	✓	✓	✓	✓	✓	✓

i. Board Meetings

Scheduling and selection of Agenda Items for the Board Meetings

To effectively monitor business operations and financial performance, the Board meets at least for four (4) times every financial year. Also, additional Board and Committee meetings are convened as required to deliberate on specific agenda items. In the event of business exigencies or matters of urgency, resolutions are passed by circulation in accordance with the provisions under the Act. Audio-video conferencing facilities are provided to facilitate active participation for all the Directors and special invitees who are unable to attend the meetings in-person.

An annual calendar for the Board and various Committee meetings is pre-scheduled before the commencement of the financial year in consultation with the Directors to facilitate active and regular participation of all the Directors. The Board and Committee meetings are governed by structured agendas backed by comprehensive background notes along with a detailed management presentations 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 collaborative and democratic and members of the Board are at liberty to propose any relevant agendas for discussions at the Board and Committee meetings.

All material information and comprehensive agenda notes are circulated to the Directors well in advance of the meeting or tabled at the meeting with the unanimous consent of all the Directors, including but not limited to mandatory information and disclosures specified under Part A of Schedule II to the SEBI LODR, as part of the meeting agenda notes except for certain confidential Unpublished Price Sensitive Information (UPSI) which are shared separately in a secured manner.

To enable effective decision-making, the Board is regularly provided with supplementary materials, including press releases, analytical reports, key business updates, etc. All the Board members have unrestricted access to accurate, relevant and timely information to fulfill their fiduciary responsibilities. Further, all Board and Committee proceedings, including the agenda items deliberated, strictly comply with the Act and the SEBI LODR read with various circulars issued by the Ministry of Corporate Affairs ("MCA") and the Securities and Exchange Board of India ("SEBI") from time to time.

The Company leverages an automated digital platform to systematically monitor and report, the compliance status of various statutory laws applicable to the Company, to the Board and its Committees. Key observations, decisions and guidance provided by the Directors during the Board meeting(s) and its Committee meeting(s) are promptly communicated to the relevant teams for taking appropriate action. Progress update

on all the critical points, action initiated/taken on key aspects are periodically tracked and presented to the management and the Directors for their review and consideration through the Action Taken Report (ATR), which are also placed at every Board / Committee meetings ensuring continuous review and accountability.

Senior Management of the Company provide periodical disclosures to the Board of Directors regarding all material, financial and commercial transactions, wherever they have personal or 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.

Green Initiative in Board Governance: As part of the green initiatives aligning with environmental and sustainability goals, the Company uses a secured electronic software application system through which the Board and Committee meetings agenda, notes, supporting documents and other official information/ communication are circulated/shared with the Directors and accessed at the meetings. This green initiative ensures strict adherence to requisite procedures as prescribed under the law while significantly reducing time and cost and increasing efficiency.

The Company Secretary and Compliance Officer of the Company attends all the meetings of the Board and Committees and is, *inter-alia*, responsible for recording the proceedings. The draft minutes of the Board and its Committee(s) are circulated to the respective Chairperson and the Directors for their review and comments. Upon incorporating their feedbacks, the final minutes are 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).

The Board is of the opinion that all the Independent Directors, fulfil the criteria and conditions specified in the SEBI LODR Regulations and are entirely independent of the Management.

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	Chairman
Non-Executive Independent Director	
Mr. Ranjit Singh	Member
Non-Executive Independent Director	
Mrs. Vijaya Sampath	Member
Non-Executive Independent Director & Woman Director	
Mr. Amit Goela	Member
Non-Executive Non -Independent Director	

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 FY 2025-26, five (5) meetings of the Audit Committee were held i.e., on May 20, 2025, August 11, 2025, November 06, 2025, February 04, 2026 and March 27, 2026. The attendance of the Audit Committee members is 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	5	5

c. The brief terms of reference of the Audit Committee:

All the members of the Committee have accounting and financial knowledge and other qualifications as required under law to carry out their functions and other relevant expertise and more than 2/3rd of members of the Committee are Independent Directors.

The meetings of the Audit Committee are regularly attended by the Executive Directors, Chief Financial Officer(s), Chief Executive Officer(s), and representatives of both the Statutory Auditors and Internal Auditors. Senior Executives of the Accounts, Finance department and Corporate Assurance teams along with other external domain experts are invited to attend, as and when required. Further, the Cost Auditor also attends the Audit Committee meeting in which the Cost Audit Report(s) is presented for review.

The constitution and terms of reference of the Audit Committee strictly confirm with Section 177 of the Act and Regulation 18 of the SEBI LODR read with Part C of Schedule II of the said Regulations. The Audit Committee is primarily entrusted with overseeing 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 serves as a vital link between the Statutory Auditors, Internal Auditors and the Board of Directors of the Company. The Committee's scope *inter-alia* includes review of the financial statements and investments of unlisted subsidiary and associate companies as well as evaluating the Management Discussion & Analysis of the financial condition and results of operations.

ii. NOMINATION AND REMUNERATION COMMITTEE

a. Composition of the 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

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

b. Meetings and attendance during the year:

During the FY 2025-26, two (2) meeting of the NRC was held on May 20, 2025, and August 11, 2025. The attendance of the NRC members is as under:

Name of the NRC members	No. of NRC meetings	
	Held	Attended
Mrs. Vijaya Sampath	2	2
Mr. Milin Mehta	2	2
Mr. Amit Goela	2	2
Mr. Ranjit Singh	2	2

c. The brief terms of reference of the NRC:

The Committee comprises of Non-Executive Directors with more than 2/3rd members of the Committee being the Independent Directors. The Chairperson of the Committee is an Independent Director and is distinct from the Chairman of the Board. The constitution and terms of reference of the NRC strictly conform with the provisions of the Act and the SEBI LODR and also complies with 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 NRC is primarily responsible for formulating and reviewing the criteria used to determine the qualifications, core competencies, skills and positive attributes required for appointment of the members on the Board, Key Managerial Personnel and the Senior Management. The Committee also plays a vital role for screening the candidates who fulfil these criteria and making formal recommendations to the Board for their appointment / re-appointment. Additionally, the Committee reviews the performance evaluation process of the Independent Directors, the Chairman, the Board as a whole and its Committees and of the Senior Management personnel, ensuring robust governance and accountability.

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

The NRC oversees the annual self-evaluation of the Board including Committees thereof and of the Chairman and individual Directors. By utilizing the detailed performance

parameters set forth, the Committee periodically reviews and discusses all matters pertaining to performance of all the Directors including the Independent Directors.

The Committee also periodically evaluates the effectiveness of such performance parameters and makes necessary amendments. The NRC has established comprehensive evaluation criteria and questionnaires for performance evaluation of the Board, Committees and the Directors (including the Chairman and the Independent Directors) focussing on core parameters *inter-alia* including the following:

- i. Adequacy of the Board's size, structure, and the diversity of its expertise to ensure operational effectiveness.
- ii. Timeliness and efficiency in the circulation of meeting agendas.
- iii. Quality, volume, and promptness of information flow from the management to the Board.
- iv. Availability of sufficient opportunity to debate matters of critical importance before resolutions are passed.
- v. Degree of understanding regarding the Company's strategic objects, day-to-day operations, and core functions.
- vi. Oversight efficiency regarding statutory compliance and corporate governance regulations.
- vii. Scale of active involvement by the Board in shaping corporate strategy.
- viii. Performance, leadership attributes, and guidance provided by the Chairperson of the Company.
- ix. Directors' commitment to high standards of professional integrity, confidentiality, and ethics.
- x. Overall attendance, performance, and qualitative contributions of individual directors at meetings.
- xi. Overall performance, harmony, and output of the Board and its 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/investors/>.

The NRC has established a comprehensive framework for evaluation of the performance of the Directors, focusing on key operational and strategic dimensions including:

- **Engagement:** Active participation levels and the overall effectiveness of contributions during board discussions.
- **Role Clarity:** A deep understanding of individual governance roles, responsibilities, and the Committee's specific terms of reference.
- **Business Acumen:** Comprehension of the Company's core operations, business landscape, and competitive environment.
- **Strategic Vision:** Insight into the macroeconomic, strategic issues, and operational challenges facing the Company.

Every year, the NRC defines the Key Performance objectives for the Executive Directors of the Board, which are aligned with both the short term operational priorities and long term goals and strategies of the Company.

The performance evaluation of the Executive Directors is undertaken following the end of the financial year on the basis of agreed Key Performance objectives. The Executive Directors' remuneration is determined by assessing several quantitative and qualitative factors, including relevant qualification, experience, domain expertise, roles, functions, core responsibilities, along with industry benchmarks and the financial performance of the Company. They align leadership incentives with the Shareholders value, the remuneration structure is balanced between fixed pay and variable performance linked pay. The performance pay component is contingent upon achieving specific milestones, including the following:

- **Strategic & Financial Leadership:** Demonstrating excellence in leadership, long-term strategy formulation, tactical execution, and robust financial planning and performance management.
- **Stakeholder & Board Dynamics:** Cultivating productive professional relationships with fellow Board members, managing key external relations, and guiding overall human resource strategy and succession planning.
- **Operational Insight & Core Qualities:** Demonstrating deep product or service knowledge, maintaining high personal attributes, and exhibiting strong corporate oversight.

- **Governance & Accountability:** Upholding clear role clarity, high objectivity, and strict accountability in all Board actions.

The payment of variable remuneration components is contingent upon achieving a set of pre-defined key performance metrics established by the NRC and the Board, from time to time, which broadly encompass the following pillars:

- **Financial & Operational Excellence:** Driving core financial targets, including order booking volume, sales revenue, Profit After Tax (PAT), optimized cash flow, working capital/bank lines, and total cost optimization across the Group.
- **Strategic & Project Execution:** Formulating and executing long-term corporate strategies, securing vital order intakes, achieving successful financial closures for key projects and timely execution.
- **Human Capital & Leadership Governance:** Managing robust organizational succession planning, recruiting critical lateral leadership talent, and driving employee engagement and productivity.
- **Stakeholder Engagement:** Strengthening relationships, transparent communication, and value creation for all stakeholders.
- **Discretionary Targets:** Addressing any other strategic or operational factors defined by the NRC or the Board from time to time.

The Non-Executive Directors (comprising all Directors other than the Managing Director and the Whole-time Director), receive a commission on quarterly basis. The pay-out is within the ceiling limits of 1% of the net profits of the Company as computed under the applicable provisions of the Act and as per the Nomination, Evaluation & Remuneration Policy of the Company, from time to time, pursuant to the approval granted by the Members at the 19th AGM of the Company held on July 21, 2014.

Details of Remuneration paid to the Directors during the financial year ended March 31, 2026:

- There was no pecuniary relationship or material transaction between the Non-Executive Directors and the Company during the FY 2025-26.
- Criteria for making payments to the Non-Executive Directors:

The remuneration to the Non-Executive Directors (including the Independent Directors) are paid within the aggregate monetary limit approved by the Members, subject to the limits not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Act. The Company does not extend any other financial payments to the Non-Executive Directors, except for the reimbursement of travel and accommodation expenses incurred for attending the meeting of the Board and Committees.

- Details of the Remuneration to the Directors:

					(Amount in INR)
Name of the Directors	Category	Salary, Commission and allowance(s)	Perquisites	Sitting Fees	Total
Mr. Rajiv Mittal	CMD	5,40,06,104	49,52,739	-	5,89,58,843
Mr. S. Varadarajan	WTD & CGO	2,97,20,729	18,64,500	-	3,15,85,229
Mr. Amit Goela	NE NID	20,00,000	-	-	20,00,000
Mr. Milin Mehta	NE ID	20,00,000	-	-	20,00,000
Mr. Ranjit Singh	NE ID	20,00,000	-	-	20,00,000
Mrs. Vijaya Sampath	NE ID & IWD	20,00,000	-	-	20,00,000

Notes:

- No Sitting fee 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 2025-26.
- No severance pay is payable upon termination of the appointment of the Director. Notice period for termination of the Executive Directors shall be six (6) months on either side.
- No other benefits viz. bonuses, pension, performance linked incentives, service contract fee, notice period fee, severance fee, etc. are paid to the Non-Executive Directors.

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

*Non-Executive Independent Director is heading the Committee

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

b. Meetings and attendance during the year:

During the FY 2025-26, four (4) meeting of the SRC was held on May 20, 2025, August 11, 2025, November 06, 2025 and February 04, 2026. The attendance of the SRC members is as under:

Name of the SRC members	No. of SRC meetings	
	Held	Attended
Mr. Ranjit Singh	4	4
Mr. S. Varadarajan	4	4
Mr. Milin Mehta	4	4

c. The brief terms of reference of the SRC:

The core mandate of the SRC encompasses resolving the shareholder's grievances, ensuring expeditious share transfer process, evaluating performance and service standards of the Registrar to an Issue and Share Transfer Agent (RTA) of the Company, amongst other aspects. The constitution, role and terms of reference of the SRC are in line with the Act and the SEBI LODR. The Committee's charter comprehensively 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, in addition to other specific matters as referred by the Board from time to time.

d. The number of the complaints received during the FY 2025-26 and the status of pending complaints:

- Number of complaints pending as on April 1, 2025: Nil
- Number of shareholder complaints received: 3
- Number of complaints resolved: 3
- Number of complaints not resolved to the satisfaction of Members: Nil
- Number of complaints pending as on March 31, 2026: Nil

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 the Secretary to the RMMC.

b. Meetings and attendance during the year:

During the FY 2025-26, four (4) meeting of the RMMC was held on May 20, 2025, August 11, 2025, November 06, 2025 and February 04, 2026.

The attendance of the RMMC members is as under:

Name of the RMMC members	No. of RMMC meetings	
	Held	Attended
Mr. Ranjit Singh	4	4
Mr. Milin Mehta	4	4
Mr. Rajiv Mittal	4	4
Mr. S. Varadarajan	4	4

c. The brief terms of reference of the RMMC:

The constitution and terms of reference of the RMMC are in strict conformity with the Act and the SEBI LODR covering 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 operational processes and the Company's exposure to unmitigated risks. The Committee reviews the business challenges in depth and recommends various solutions and risk management framework including amendments to various policy decisions, strategies ensuring robust risk mitigation and minimisation across the business operations.

The Committee's terms of reference are exhaustive. The primary responsibility of the RMMC includes:

- Framework Implementation:** Overseeing the robust implementation of risk management systems and corporate frameworks across the organization.
- Policy Review:** Periodically reviewing the Company's financial risk profiles and overarching risk management policies.
- Risk Assessment & Mitigation:** Identifying, assessing, and establishing strict procedures to mitigate and minimize operational exposures.

- **Operational Monitoring:** Monitoring various operational, commercial, and business-related challenges, including risks associated with new and ongoing projects.
- **Board-Directed Mandates:** Evaluating specific risk vectors arising out of regular business projects, alongside handling specialized matters directed by the Board.

SENIOR MANAGEMENT

As per the SEBI (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, 2023, the revised team of the Senior Management are as under:

1. Deputy Managing Director
2. Group CEO
3. Group Chief Financial Officer
4. Company Secretary & Compliance Officer
5. CEO of all the Clusters
6. CFO of all the Clusters
7. Head - Strategy & Business Growth – GCC Region
8. Head - Corporate Assurance
9. Head - Global Treasury

Particulars of senior management including the changes therein since the close of the previous FY:

Sr. No	Name of the Senior Management Personnel	Designation	Details of Changes
1	Mr. Bhupesh Chowdary Nagineni*	Deputy Managing Director	Appointment
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. Rohan Mittal*	Head - Strategy & Business Growth – GCC Region	Appointment
8	Mr. Ramakrishna Raju Josyula	Head - Corporate Assurance	-
9	Mr. Rajesh Singh	Head - Global Treasury	-

* the Board of Directors, as per the recommendations of the NRC, had approved the said appointments effective from May 21, 2026

OTHER COMMITTEES:

v. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

a Composition of the 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. Ranjit Singh	Member
Mr. S. Varadarajan	Member

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

b. Meetings and attendance during the year:

During the FY 2025-26, three (3) meeting of the CSR was held on May 20, 2025, August 11, 2025, and February 04, 2026. The attendance of the CSRC members is as under:

Name of the CSRC members	No. of CSRC meetings	
	Held	Attended
Mrs. Vijaya Sampath	3	3
Mr. Amit Goela	3	3
Mr. Ranjit Singh	3	3
Mr. S. Varadarajan	3	3

c. The brief terms of reference of the CSRC:

The constitution and terms of reference of the CSRC are in conformity with the Act and the SEBI LODR and

comprehensively covering all the matters specified under Section 135 of the Act. The primary responsibilities of the CSRC includes:

- **Policy Formulation:** Formulating and recommending to the Board the Corporate Social Responsibility (CSR) Policy, detailing the specific social and sustainable initiatives to be undertaken by the Company.
- **Annual Action Plan:** Developing and recommending the comprehensive annual CSR Action Plan to the Board for approval.
- **Budget Allocation:** Reviewing and recommending the financial expenditure and budgetary allocations to be incurred on designated CSR activities.
- **Performance Review:** Monitoring and evaluating the operational execution and impact performance of the CSR activities undertaken by the Company.

vi. CAPITAL ALLOCATION COMMITTEE (CAC)

a. Composition of the Capital Allocation 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 the Secretary to the CAC.

b. Meetings and attendance during the year:

During the financial year ended March 31, 2026, one (1) meeting of the CAC was held on May 20, 2025. The attendance of the CAC members is as under:

Name of the CAC members	No. of CAC meetings	
	Held	Attended
Mr. Milin Mehta	1	1
Mrs. Vijaya Sampath	1	1
Mr. Ranjit Singh	1	1
Mr. Rajiv Mittal	1	1
Mr. S. Varadarajan	1	1

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

WABAG Group has nineteen (19) Subsidiaries / Associates / Joint Ventures spread across diverse geographies. As part of its commitment to robust Corporate Governance practices, your Board has constituted a CAC to monitor

and review compliances, as well as investments made into various entities across the Group. The Committee periodically engages external Overseas Direct Investments experts to review, monitor and advise the Company on corporate restructuring initiatives and regulatory compliance frameworks.

vii. SUSTAINABILITY COMMITTEE

a. Composition of the 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 the Secretary to the SC.

b. Meetings and attendance during the year:

During the FY 2025-26, two (2) meeting of the SC was held on May 20, 2025 and November 06, 2025. The attendance of the SC members is as under:

Name of the SC members	No. of SC meetings	
	Held	Attended
Mrs. Vijaya Sampath	2	2
Mr. Milin Mehta	2	2
Mr. Ranjit Singh	2	2
Mr. S. Varadarajan	2	2

c. The brief terms of reference of the SC:

- **BRSR Scope Enhancement:** Overseeing and enhancing the scope, disclosure quality, and data frameworks of the Business Responsibility and Sustainability Report (BRSR).
- **ESG Strategy & Implementation:** Advising on the deployment of Environment, Social, and Governance (ESG) initiatives, monitoring global ESG ratings, and aligning with ESG investing benchmarks.
- **Reporting & Integration:** Finalizing the annual BRSR and driving the compilation of the Company's Integrated Report on ESG disclosures.
- **Board-Delegated Mandates:** Addressing any other sustainability or corporate responsibility matters delegated by the Board or determined by the Committee 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) financial years and the Special Resolutions passed thereat are as under:

FY	Location	Date and Time	Special Resolutions passed
2024-25	Through Video Conferencing (VC)	Tuesday, August 12, 2025 at 4.00 P.M. (IST)	No Special Resolutions was passed
2023-24	Through Video Conferencing (VC)	Wednesday, August 14, 2024 at 4.00 P.M. (IST)	• Increase in the Borrowing limits of the Company • Increase in limits for creation of charges on the assets of the Company
2022-23	Through Video Conferencing (VC)	Friday, August 11, 2023 at 4.00 P.M. (IST)	• Re-appointment of Mr. Ranjit Singh (DIN: 01651357) as an Independent Director • Re-appointment of Mrs. Vijaya Sampath (DIN: 00641110) as an Independent Director

b. Extraordinary General Meetings

There were no Extraordinary General Meetings (EGM) held during the FY 2025-26. However, during the preceding three (3) financial years, 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)	• Approval for adoption of 'WABAG Centenary Stock Option Scheme 2023' • Approval for 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 2025-26, no resolution was passed through the postal ballot and no proposal as on the date of this report.

V. MEANS OF COMMUNICATION

The Company dispatches Annual Reports, Notices and other Shareholders communication to its Members through e-mail and also through post and/or courier services upon specific requests by the Members. Pursuant to the circulars issued by the MCA and the SEBI, the Notice and Annual Report for the FY 2025-26 are being shared through electronic means (e-mail) only. The Notice and Annual Report of the Company for the FY 2025-26 shall also be made available on the website of the Company <https://www.wabag.com/investor-communications/> and also on the website of the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited and the designated e-Voting platform.

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

- The quarterly standalone and consolidated financial results reports and official press releases, are systematically posted on the Company's website, at <https://www.wabag.com/investor-communications/>. Further, the quarterly results and 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 the quarterly results and annual financial statements (both standalone and consolidated), along with segmental reporting and other statutory information, are systematically uploaded on the Company's website, at <https://www.wabag.com/investor-communications/>.

- Audio recordings of Earnings calls with the analysts and investors and their transcripts along with the presentations are also published on the Company's website at <https://www.wabag.com/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/investor-communications/>.
- Other information, such as press releases, stock exchange disclosures and presentations made to the 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 2025-26:

Day: Wednesday

Date: August 12, 2026

Time: 4.30 P.M. (IST)

Venue: In compliance with the provisions of the Act and MCA Circulars, the 31st AGM of the Company is being held through VC/OAVM. The deemed venue of the AGM shall be the Registered Office of the Company i.e. WABAG House, No. 17, 200 Feet Thoraipakkam - Pallavaram Main Road, Sunnambu Kolathur, Chennai - 600117, Tamil Nadu, India.

b. Financial Calendar:

The financial year of the Company is from April 01 to March 31 of every year and for the FY 2026-27, 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, 2026	First fortnight of August 2026
Financial reporting for the quarter / half year ending September 30, 2026	First fortnight of November 2026
Financial reporting for the quarter / nine months ending December 31, 2026	First fortnight of February 2027
Financial reporting for the quarter / year ending March 31, 2027	First / Second Fortnight of May 2027
Annual General Meeting for the year ending March 31, 2027	August 2027

c. Book Closure Date:

The Register of Members and Share Transfer Books of the Company will be closed from Thursday, August 06, 2026 to Wednesday, August 12, 2026 (both days inclusive) for the purpose of the 31st Annual General Meeting.

d. Dividend Payment Date:

Credit / dispatch of dividend warrants, if approved at the ensuing 31st Annual General Meeting, would be made on or before September 10, 2026.

e. Listing on Stock Exchanges:

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 2026-27 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 (Amount in INR)		NSE (Amount in INR)	
	High	Low	High	Low
April - 2025	1,476.75	1,148.00	1,477.70	1,140.05
May - 2025	1,679.00	1,236.25	1,680.00	1,250.00
June - 2025	1,658.05	1,459.00	1,658.70	1,460.00
July - 2025	1,670.50	1,399.30	1,672.10	1,398.80
August - 2025	1,647.60	1,454.70	1,647.50	1,453.10
September - 2025	1,580.00	1,412.30	1,580.00	1,412.20
October - 2025	1,445.00	1,384.35	1,445.00	1,390.30

Month	BSE (Amount in INR)		NSE (Amount in INR)	
	High	Low	High	Low
November - 2025	1,449.35	1,337.65	1,449.20	1,388.00
December - 2025	1,408.00	1,241.50	1,408.00	1,241.10
January - 2026	1,327.95	1,033.95	1,325.50	1,033.00
February - 2026	1,346.95	1,041.00	1,346.50	1,040.70
March - 2026	1,318.55	1,110.00	1,318.80	1,100.00

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

Month	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 - 2025	1,285.10	80,242.24	24,334.20
May - 2025	1,628.50	81,451.01	24,750.70
June - 2025	1,481.40	83,606.46	25,517.05
July - 2025	1,585.70	81,185.58	24,768.35
August - 2025	1,457.80	79,809.65	24,426.85
September - 2025	1,435.00	80,267.62	24,611.10
October - 2025	1,414.10	83,938.71	25,722.10
November - 2025	1,355.60	85,706.67	26,202.95
December - 2025	1,303.30	85,220.60	26,129.60
January - 2026	1,077.70	82,269.78	25,320.65
February - 2026	1,264.30	81,287.19	25,178.65
March - 2026	1,157.40	71,947.55	22,331.40

h. Registrar to an Issue and Share Transfer Agent (RTA) / Demat Registrar:

Equity Shares:

Cameo Corporate Services Limited

Subramanian Building, 1, Club House Road,

Anna Salai, Chennai – 600002, Tamil Nadu

Toll free no. 044 4002 0700

E-mail ID: investor@cameoindia.com

Investor Portal: <https://wisdom.cameoindia.com/>

Non-Convertible Debentures:

Integrated Registry Management Services Private Limited

4th Floor, Kences Towers, No. 1, Ramakrishna Street, North Usman

Road, T. Nagar, Chennai - 600017

Phone: 044-28140645 Fax: 044-28140652

i. Share Transfer System:

In compliance with the Regulation 40 of the SEBI LODR, as amended, the transfer of shares of a listed Company held in physical mode is restricted. 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 dematerialisation request / re-materialisation requests are placed before the meetings of the Stakeholders Relationship Committee.

Nomination facility for Shareholding

As per the provisions of Section 72 of the Act, facility for making nomination facility is available to the Members in respect of shares held by them. Members holding shares in physical form may obtain the prescribed form (Form SH-13) directly, from the Company or download it same from the Company's website. Members holding shares in dematerialised form should contact their respective Depository Participant (DP) to register their nominations.

j. Distribution of equity shareholding as on March 31, 2026:**Distribution by size (PAN based)**

Sr. No.	Category (Shares)	March 31, 2026				March 31, 2025			
		No of Holders	% to Holders	No of shares	% to Equity	No of Holders	% to Holders	No of shares	% to Equity
1	1-500	183946	91.79	7801012	12.52	174209	91.44	7298078	11.74
2	501-1000	8549	4.27	3140402	5.04	8257	4.33	3028033	4.87
3	1001-2000	4102	2.05	3055883	4.90	4113	2.16	3058130	4.92
4	2001-3000	1286	0.64	1609116	2.58	1322	0.69	1654442	2.66
5	3001-4000	708	0.35	1272315	2.04	733	0.38	1317550	2.12
6	4001-5000	366	0.18	837390	1.34	396	0.21	905220	1.46
7	5001-10000	761	0.38	2699326	4.33	764	0.40	2747454	4.42
8	10001 and above	670	0.33	41894151	67.24	724	0.38	42181521	67.83
Total		200388	100	62309595	100	190518	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, 2026.

ISIN: INE956G01038 (Fully Paid Shares)

Description, No. of Members*, No. of Shares and % of Equity

Description	No. of Members*	No. of Shares	% Equity
Physical	3	111	0.00
NSDL	74176	48036861	77.09
CDSL	131312	14272623	22.91
Total	205491	62309595	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.

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

The Company has not issued any GDRs / ADRs in the past and hence as on March 31, 2026, the Company does not have any outstanding GDRs / ADRs.

ii. Warrant:

During the FY 2025-26, the Company has not issued any warrant and there is no warrant outstanding for conversion which is likely to impact on the equity shares.

iii. Foreign Currency Convertible Bonds (FCCBs)

During the FY 2025-26 and in the past, the Company has not issued any FCCBs.

iv. Non-Convertible Debentures (NCDs):

During the FY 2025-26, the Company has not issued any new Non-Convertible Debentures.

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 operates advanced facilities for design, engineering, procurement, construction, operation and maintenance at several strategic locations across India. The Group also maintains an extensive network of regional offices, branches, project management offices, subsidiary entities both in India and across 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 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 securities. Further, the Company has adopted a Code of practices and procedures for fair disclosure of unpublished price sensitive information.

q. Reconciliation of Share Capital Audit:

Pursuant to the SEBI Regulations, Practicing Company Secretaries conducts the Reconciliation of Share Capital Audit every quarter to reconcile the total admitted capital held with the depositories viz. NSDL, CDSL and in physical form against the total issued and paid-up capital of the Company. The said audit reports are submitted to the Stock Exchanges and is also placed before the Stakeholders' Relationship Committee and the Board of Directors of the Company.

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 are lying in the "VA TECH WABAG LIMITED – UNCLAIMED SHARES DEMAT SUSPENSE ACCOUNT" as on March 31, 2026.

s. List of all credit rating obtained for debt:

During the FY 2025-26, India Ratings & Research (a Fitch Group Company), credit rating agency of the Company, reaffirmed the credit ratings for the Company's borrowing arrangements i.e., Non-Convertible Debentures as 'IND AA-/Stable' and Bank Loan facilities as 'IND AA-/Stable/IND A1+'. Please refer to the Board's Report for further details.

t. Investor Education and Protection Fund (IEPF)

In accordance with the applicable provisions of the Companies Act, 2013 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 dividends, remaining unclaimed 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 shares 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 and Mr. Ravi B.S.G, Manager - Corporate Secretarial, as the Deputy Nodal Officer, for the purpose of verification of claims and for co-ordination with IEPF Authority. Details of the Nodal Officer and Deputy Nodal Officer for the purpose of co-ordination with the IEPF Authority are available on the website of the Company at <https://www.wabag.com/investor-contacts/>. Shares and dividends have been transferred into IEPF account from the FY 2010-11 onwards and the 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 strongly encourages its Members to approach the Company/ RTA with appropriate documents to encash their unclaimed/unpaid dividend before the said dividend / corresponding shares are transferred to the Investor Education and Protection Fund, in compliance with the IEPF Rules as amended from time to time.

The dividend income is taxable in the hands of the Members, effective from April 1, 2020 pursuant to the Finance Act, 2020 and the Company is required to deduct tax at source from the

dividend paid to its Members at prescribed rates as per the Income Tax Act, 2025.

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_IAD1/P/CIR/2023/131 dated July 31, 2023, a new SMART ODR Portal (Securities Market Approach for Resolution through Online Dispute Resolution (ODR)) was implemented by the SEBI. This platform was designed to enhance investor grievance redressal by enabling the investors to access ODR Institutions for the resolution of their complaints.

v. **Investor Relations:**

The Investor Relations (IR) team of the Company continues to uphold its commitment to transparent communication, market credibility, and long-term shareholder value creation. As a strategic interface between the company and the capital markets, the IR team has played a pivotal role in strengthening investor confidence, and enhancing the Company's visibility in the investment community. Throughout the year, the department executed a series of impactful initiatives, with notable accomplishments across the following areas:

- Strengthening Stakeholder Engagement
- Timely and Transparent Disclosures
- Enhancing Digital Accessibility
- Improved Market Perception
- Proactive Feedback Loop

The IR team remains steadfast in its mission to deepen market understanding of WABAG's unique business model and long-term strategic goals through proactive, transparent, and accessible communication approach.

In FY27, the Investor Relations team will continue to convey key developments and update the capital market participants on the factors driving WABAG's unique moat and sustainability goals through a proactive, transparent, and accessible communication approach. The Company has a designated e-mail ID for the Investor Relations: investors@wabag.in.

VII. **SUBSIDIARY & ASSOCIATE COMPANIES**

The Company monitors and reviews the performance of its subsidiary, associate and joint venture companies, *inter-alia*, through the following established governance mechanisms:

- **Financial Statement Oversight:** The Audit Committee of the Company periodically reviews the financial

statements of these entities, including any investments made by them.

- **Board and Committee Minutes:** The minutes of the Board and Audit Committee meetings of the subsidiary companies are systematically placed and noted at the respective Board and Audit Committee meetings of the Company.
- **Significant Transactions:** Statements summarizing all significant transactions and arrangements entered into by the subsidiary companies are presented periodically to the Company's Audit Committee and Board.
- **Quarterly Business Updates:** Detailed operational and strategic updates concerning the various business segments carried out by the subsidiaries, associates, and joint ventures are presented to the Board of Directors on a quarterly basis.
- **Fund Utilization Reviews:** The Audit Committee periodically reviews the end-utilization of loans, advances, or equity investments deployed into the subsidiary and associate companies.

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 (3) 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 www.wabag.com/investors. 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 2025-26, 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 endeavour to comply with the 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/wp-content/uploads/2025/07/Policy-on-determining-Material-Subsidiaries.pdf>.**
- 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/wp-content/uploads/2026/02/Policy-on-RPT.pdf>.**
- g. **During the financial year ended March 31, 2026, 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 2025-26 either 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 the directors of the companies by the SEBI / 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 during the FY 2025-26.**
- 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 11.95 Million.**

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

- a. Number of complaints filed during the FY: 01
- b. Number of complaints disposed of during the FY: 01
- c. 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 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
VA TECH WABAG GmbH	June 26, 1990, Vienna, Austria
Name and date of appointment of the Statutory Auditors	Bernadini, Egger & Co Steuerberatung und Wirtschaftsprüfung GmbH Hietzinger Kai 89, 1130 Wien
Date of Appointment of the Auditor:	January 12, 2026

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 (both standalone and consolidated). 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 appointed as the "Chairman & Managing Director" of the Company

c. Reporting of Internal Auditor:

M/s PKF Sridhar & Santhanam LLP, Chartered Accountants and the Corporate Assurance Department of the Company being the joint Internal Auditors are the permanent invitees to the Audit Committee meetings and regularly attend 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

Nil

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

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

Date: May 21, 2026
Place: Chennai

Milin Mehta
Independent Director
(DIN: 01297508)

Rajiv Mittal
Chairman and Managing Director
(DIN: 01299110)

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, 2026.

For **VA TECH WABAG LIMITED**

Date: May 21, 2026
Place: Chennai

Rajiv Mittal
Chairman and Managing Director
(DIN: 01299110)

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
VA TECH WABAG LIMITED,
Chennai.

We, M Damodaran & Associates LLP, Practicing Company Secretaries have examined the compliance of the conditions of Corporate Governance by VA TECH WABAG LIMITED (CIN : L45205TN1995PLC030231), Chennai for the financial year ended on March 31, 2026, 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. Our 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 our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in SEBI LODR for the financial year ended March 31, 2026.

We 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.

Date: May 21, 2026
Place: Chennai

M. DAMODARAN
Managing Partner
M DAMODARAN & ASSOCIATES LLP
Membership No.: 5837
COP.No.: 5081
FRN: L2019TN006000
PR 3847/2023
ICSI UDIN: F005837H000425212

CERTIFICATE

(Certification by CEO/CFO under Regulation 17(8) of SEBI Listing Obligations and Disclosure Requirements, Regulations, 2015)

To,
The Board of Directors of
VA TECH WABAG LIMITED

We have reviewed the financial statements and the cash flow statement of VA TECH WABAG LIMITED (the Company) for the year ended March 31, 2026 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 the existing Accounting Standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and 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 IND AS and the Companies Act, 2013 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, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

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

Date: May 21, 2026
Place: Chennai

Skandaprasad Seetharaman
Chief Financial Officer

Shailesh Kumar
CEO –India Cluster

Rajiv Mittal
Chairman & Managing Director

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,

The Members of

VA TECH WABAG LIMITED

CIN: L45205TN1995PLC030231

"WABAG House", No.17,

200 Feet Thoraipakkam- Pallavaram Main Road,

Sunnambu Kolathur,

Chennai - 600117, Tamil Nadu, India.

We, 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 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 us 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 our opinion and to the best of our 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 us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2026 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 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. Our responsibility is to express an opinion on these based on our 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

Date: May 21, 2026

Place: Chennai

P/R 3847/2023

UDIN: F005837H000425181



Standalone Financial Statements

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 2026, 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 2026, and its profit and total comprehensive income, its cash flows and changes in equity for the year ended on that date.

Basis for opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ('Standards') specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report.

We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No	Key audit matter description and principal audit procedures
1	Revenue recognition Refer Notes 21, 13 and 23 in the standalone financial statements. The Company recognises revenue and margin on the stage of completion based on the proportion of contract costs incurred including accruals relative to the estimated total costs of each contract (referred to as 'percentage of completion method'). The recognition of revenue and margin therefore is dependent on estimates in relation to the total costs on each contract. Cost contingencies may also be included in these estimates to take into account specific uncertainties within each contract. These cost estimates are reviewed by the Company on a regular basis during contract execution and adjusted where appropriate. There is significant judgement used by the management of the Company in estimating the amount of revenue and margin to be recognised by the Company and changes to these estimates could give rise to material variances, hence revenue recognition has been considered as a key audit matter Our procedures include the following: - Evaluate and test key controls in the management processes in relation to recognition of revenue and margin including: - the preparation, review and authorisation of contract review sheets for contracts which contains the estimated total costs for the contracts including cost contingencies - the project reviews that are undertaken by the Company's management - the controls in relation to the accrual of cost towards materials and services

S.No	Key audit matter description and principal audit procedures
	- Recalculate revenue recognised under the percentage of completion method on a test basis - Evaluate the financial performance of contracts against budget / earlier year estimates and obtain reasons for significant variances thereto - Test the contract value, costs incurred to date including the costs accrued for work completed, total estimated contract costs for a sample of contracts selected based on factors such as value of contracts, material new contracts and contracts where significant risks have been identified by the management of the Company - Undertake site visits on a test basis to confirm our understanding of the risks and controls at site level
2	Dues from customers (unbilled) and Trade receivables Refer Notes 21, 2.2, 2.3, 2.4, 6, 13 and 33 in the standalone financial statements The Company measures revenue to be recognised based on the contract costs incurred till the reporting date over the total estimated costs for each contract. Such revenue recognised in excess of progress billing till the reporting date is presented as 'dues from customers' which are yet to be billed to the customers. Such dues from customers are accounted for based on the contractual terms and management's assessment of recoverability from customers. The management of the Company also assesses the recoverability of trade receivables including those which have remained unsettled beyond contractual credit period using judgement and past collection trends in similar contracts and customers. The management of the Company estimates and recognises allowance for expected credit losses on trade receivables and dues from customers which involves estimation of expected default and/or delay in the customers making payment as per the contractual terms and realisability of dues from customers, considering the past trend and its assessment on the reporting date. The valuation of dues from customers and trade receivables involves significant management judgement and estimates as stated above, and hence it has been considered as a key audit matter. Our procedures include the following: - Evaluate management's processes and controls in respect of dues from customers and trade receivables for the following - risk assessment pertaining to invoicing and recoverability - assessment of the probability of default and delay - assessment of the significant increases in credit risk, if any - Seek confirmation of balances from customers having significant outstanding balances as at the reporting date - Review the project progress, invoicing and collection history of customers with significant dues from customers or trade receivables. Discuss with the project team to understand the management's assessment of risk associated with recoverability - Analyse the past trend and inquire into the reasonableness of expected credit loss allowance matrix developed by the management of the Company for estimating the allowance for trade receivables and due from customers - Consider the subsequent events in assessing the recoverability of dues from customers and trade receivables as on reporting date - Consult legal counsel wherever necessary for legal disputes to assess the valuation of trade receivables

Information other than the standalone financial statements and auditor's report thereon

The Board of Directors of the Company is responsible for the preparation of the other information. The other information comprises the information included in the management discussion and analysis, Board's report including annexures to Board's report, business responsibility 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 identified above when it becomes available 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 Management and 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 and the Board of Directors 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 and the Board of Directors 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 paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) the balance sheet, the statement of profit and loss including other comprehensive income, the statement of cash flows and statement of changes in equity dealt with by this report are in agreement with the books of account;
 - (d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) on the basis of the written representations received from the directors as on 31 March 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act;
 - (f) with respect to the adequacy of internal financial controls with reference to financial statements of the Company and the operative effectiveness of such controls, refer to our separate report in Annexure 'B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to financial statements;
 - (g) with respect to other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act;
 - (h) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in Note 41 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position;
 - ii. as detailed in Note 18 to the standalone financial statements, 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. Also, refer to note 44 of the standalone financial statements.
- v. a) The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act 2013 to the extent it applies to payment of dividend
- b) as stated in note 14(d) to the financial statements, the Board of Directors of the Company have proposed a final dividend for the year which is subject to approval of the members at the ensuing annual general meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. based on our examination of the books of account maintained using accounting software which included test checks, the Company has used accounting software for maintaining its books of account for the financial year ended 31 March 2026 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 did not come across any instance of audit trail feature being tampered with, and the audit trail has been preserved by the Company as per the statutory requirements for record retention. Also, refer to note 45(f) of the standalone financial statements..

for SHARP & TANNAN
Chartered Accountants
(Firm's Registration No. 003792S)

P. Rajesh Kumar
Partner

Place : Chennai
Date : 21 May 2026

Membership No. 225366
UDIN: 26225366YZZADJ9939

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) according to the information and explanations given to us, 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) according to the information and explanations given to us, 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 other records maintained by the Company and 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) according to the information and explanations given to us, the Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year; and
- (e) according to the information and explanations given to us, no proceedings have been initiated during the year or are pending against the Company as at 31 March 2026 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; and

- (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 in material respects;
- (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 its subsidiaries and associate companies during the year,
 - (A) the aggregate amount of such loans given during the year is 184 Million, and the balance outstanding is 220 Million as at the balance sheet date;
 - (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, the schedule of repayment of principal and payment of interest has been stipulated in the loan agreement, and the borrowers have been regular in the repayment of principal and payment of interest. Also kindly refer to paragraph 3(iii)(e) below regarding certain loans falling due during the year which have been renewed by the Company before due date;
 - (d) There are no overdue amounts of loans given by the Company and hence reporting under paragraph 3(iii)(d) of the Order is not applicable to the Company;

- (e) according to the information and explanations given to us and on the basis of our examination of the records of the company, during the year, loans fell due from certain parties have been renewed. The details of such loans that fell due and were renewed during the year are stated below:

Name of the parties	Aggregate amount of loans granted during the year	Aggregate overdue amount settled by renewal	Percentage of the aggregate to the total loans granted during the year
Ganga STP Project Private Limited	12	117	64%
DK Sewage Project Private Limited	122	14	8%
Ghaziabad Water Solutions Private Limited	50	1	0.5%

- (f) the Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment.

maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete

- (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 the public nor any amounts which are deemed to be deposits within the meaning of the provisions of Sections 73 to 76 of the Act and the rules framed there under during the year and does not have any unclaimed deposits as at 31 March 2026. 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

- (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 2026 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 2026 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 (₹ in Millions)	Unpaid disputed amount (₹ in Millions)	Period to which amount relates	Forum where disputes are pending
Telangana Value Added Tax Act	Tax	23	17	2010-11	High Court
Central Sales Tax Act, 1956 read with Gujarat Value Added Tax Act, 2003	Tax & Penalty	114	114	2011-12, 2016-17, 2017-18	Deputy Commissioner (Appeals)
Central Sales Tax Act, 1956 read with Gujarat Value Added Tax Act, 2003	Tax, interest & penalty	152	152	2014-15	Deputy Commissioner (Appeals)
Central Sales Tax Act, 1956 read with West Bengal Value Added Tax Act, 2003	Tax & Penalty	63	63	2010-11 to 2012-13	West Bengal Appellate Tribunal Senior Joint Commissioner
Chattisgarh VAT entry Tax and CST	Tax	2	2	2013-14	Deputy Commissioner

Name of the statute	Nature of disputed dues	Amount involved in dispute (₹ in Millions)	Unpaid disputed amount (₹ in Millions)	Period to which amount relates	Forum where disputes are pending
Delhi Value Added Tax Act, 2004	Tax	5	5	2012-13	Additional Commissioner
Gujarat Value Added Tax Act, 2003	Tax & Penalty	81	80	2010-11, 2016-17 & 2017-18	VAT Tribunal Deputy Commissioner (Appeals)
Haryana Value Added Tax	Tax	1	1	2010-11	High Court of Punjab and Haryana
Haryana Value Added Tax	Tax & penalty	3	3	2016-17	Excise & Taxation Officer cum Assessing Authority
Kerala Value Added Tax Act, 2003	Tax & Penalty	9	6	2008-09, 2010-11 & 2011-12	Appellate Tribunal
Maharashtra Value Added Tax Act, 2005	Tax & Penalty	8	7	2013-14	Deputy Commissioner Sales Tax (Nodal Division)
Odisha Value Added Tax Act, 2005	Tax & Penalty	89	81	2016-17 & 2017-18	Deputy Commissioner – Appeals
Odisha Value Added Tax Act, 2005	Tax	2	2	2015-16	Joint Commissioner of Sales Tax - Puri
Uttar Pradesh Entry Tax Act	Tax	4	4	2014-15 to 2016-17 & Q1 2017-18	Deputy Commissioner
Uttar Pradesh Value Added Tax Act	Tax	225	220	2013-14 to 2016-17 & Q1 2017-18	Deputy Commissioner
Gujarat Value Added Tax Act, 2003	Tax, Interest & penalty	61	61	2014-15	Deputy Commissioner – Appeals
Service tax under Finance Act, 1994	Tax	1	1	Oct 11 to Mar 14	Central Excise and Service Tax Appellate Tribunal, Chennai
West Bengal Value Added Tax Act, 2003	Tax & Penalty	35	35	2009-10, 2011-12 to 2012-13	Appellate Tribunal; Senior Joint Commissioner
West Bengal Entry Tax Act	Tax, Interest & Penalty	12	12	2014-15 to 2017-18	Commissioner (Appeals)
Assam GST Act	Tax, Interest & Penalty	7	1	2018-19	Assistant Commissioner of State Tax
Chattisgarh GST Act	Tax Interest & Penalty	12	7	2018-19, 2019-20, 2021-22	Assistant Commissioner of State Tax
Gujarat GST Act	Tax Interest & Penalty	180	171	2017-18, to 2021-22	Deputy Commissioner - Division – 11 Sales Tax Officer – Jamnagar Deputy Commissioner - Jamnagar
Karnataka GST Act	Tax Interest & Penalty	89	78	2017-18 to 2022-23	Karnataka High Court and Joint Commissioner (Appeals)
Odisha GST Act	Tax & Penalty	78	78	2018-19 to 2019-20	Odisha High Court
Punjab GST Act	Tax	23	22	2018-19	Assistant Commissioner
Rajasthan GST Act	Tax & Penalty	14	13	2018-19	Assistant Commissioner
Uttar Pradesh - GST Act	Tax Interest & Penalty	71	66	2019-20 to 2021-22	Deputy Commissioner – Noida & Additional Commissioner Noida (Appeals)
West Bengal GST Act	Tax Interest & Penalty	42	39	2017-18 to 2022-23	Calcutta High Court & Joint Commissioner (Appeals)
Customs Act	Tax & Interest	872	872	2012 to 2022	Bombay High Court
Income Tax Act, 1961	Tax & Penalty	92	92	AY 2010-11 & 2014-15	High Court & Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Tax & Interest	94	94	AY 2015-16 to AY 2018-19 & AY 2020-21 to 2023-24	Commissioner of Income Tax (Appeals)

- (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, borrowings or debentures due and in payment of interest to any bank or debenture holders during the year. 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) in our opinion and according to the information and explanations given to us, the Company has not availed any term loans during the year and hence reporting under clause (ix) (c) does not arise;
- (d) according to the information and explanation given to us and 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) according to the information and explanation given to us and 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, associates or joint venture;
- (f) according to the information and explanation given to us and 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, associate or joint venture 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 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) as represented to us by the Management, there are no whistle blower complaints received by the Company during the year;
- (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) of the Order is not applicable;
- (b) In our opinion, the Company is not engaged in any Non-Banking Financial or Housing Finance activities during the year. Hence, reporting under paragraph 3(xvi)(b) of the Order is not applicable;
- (c) In our opinion, the Company is not a Core investment Company (CIC) as defined in the regulations made by Reserve Bank of India. Hence, reporting under paragraph 3(xvi)(c) of the Order is not applicable;
- (d) 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. Accordingly reporting under paragraph 3(xviii) of the Order is not applicable;
- (xix) according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of 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;
- (xxi) the reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in the report.

for SHARP & TANNAN
Chartered Accountants
(Firm's Registration No. 003792S)

P. Rajesh Kumar
Partner

Place: Chennai
Date: 21 May 2026

Membership No. 225366
UDIN: 26225366YZZADJ9939

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 2026 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 Management and 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 with reference to financial statements ('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 with reference to financial statements. 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 system with reference to financial statements and such internal financial controls with reference to

financial statements were operating effectively as of 31 March 2026, 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 With reference to financial statements issued by the Institute of Chartered Accountants of India.

for SHARP & TANNAN
Chartered Accountants
(Firm's Registration No. 003792S)

P. Rajesh Kumar
Partner

Place : Chennai
Date : 21 May 2026

Membership No. 225366
UDIN: 26225366YZZADJ9939

Balance Sheet

as at 31 March 2026

(All amounts are in millions of Indian Rupees, unless otherwise stated)

	Note	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	4	606	596
Intangible assets	4	10	13
Financial assets			
- Investments	5	1,433	1,412
- Trade receivables	6	6,468	5,938
- Other financial assets	7	314	332
Deferred tax assets (net)	8	317	257
Income tax assets (net)	9	266	188
		9,414	8,736
Current assets			
Inventories	10	140	153
Financial assets			
- Trade receivables	6	22,921	18,330
- Cash and cash equivalents	11	6,490	6,142
- Bank balances other than those mentioned in cash and cash equivalents	11	2,543	2,243
- Loans	12	220	139
- Other financial assets	7	403	430
Other current assets	13	8,036	7,926
		40,753	35,363
		50,167	44,099
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	125	124
Other equity			
- Securities premium	15	4,034	3,939
- Reserves and surplus		16,922	13,773
Share application money pending allotment		1	-
		21,082	17,836
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	20	379	594
- 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	1,892	2,334
- Other financial liabilities	17	25	19
Provisions	18	39	48
Other non-current liabilities	19	2,074	1,817
		4,409	4,812
Current liabilities			
Financial liabilities			
- Borrowings	20	541	1,741
- Trade payables		-	-
Total outstanding dues of micro enterprises and small enterprises	16	714	111
Total outstanding dues of creditors other than micro enterprises and small enterprises	16	11,290	9,548
- Other financial liabilities	17	351	323
Provisions	18	2,037	1,271
Other current liabilities	19	9,336	8,381
Current tax liabilities (net)	21	407	76
		24,676	21,451
		29,085	26,263
		50,167	44,099
TOTAL LIABILITIES			
TOTAL EQUITY AND LIABILITIES			

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

P Rajesh Kumar
Partner
(Membership No.: 225366)

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

Milin Mehta
Director
(DIN : 01297508)

Anup Kumar Samal
Company Secretary
(Membership No.F4832)

Place : Chennai
Date : 21 May 2026

Place : Chennai
Date : 21 May 2026

Statement of Profit and Loss

for the year ended 31 March 2026

(All amounts are in millions of Indian Rupees, unless otherwise stated)

	Note	Year ended 31 March 2026	Year ended 31 March 2025
Income			
Revenue from operations	23	32,844	28,738
Foreign exchange gain	24	771	161
Other income	24	399	208
Total income		34,014	29,107
Expenses			
Cost of sales and services	25	25,116	22,305
Changes in inventories	26	13	(50)
Employee benefits expense	27	2,477	2,154
Finance costs	28	528	592
Depreciation and amortization expense	29	39	30
Other expenses	30	1,300	461
Total expenses		29,473	25,492
Profit before exceptional items and tax		4,541	3,615
Exceptional items	45	(47)	-
Profit before tax		4,494	3,615
Tax expense	31		
Current tax		1,210	769
Deferred tax		(60)	133
Profit for the year (A)		3,344	2,713
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Re-measurement loss or gain on defined benefit plans		(18)	(7)
- Income tax relating to items that will not be reclassified to profit and loss		5	2
Other comprehensive income for the year, net of tax (B)		(13)	(5)
Total comprehensive income for the year (A+B)		3,331	2,708
Earnings per equity share			
Basic (in ₹)	32	53.71	43.62
Earnings per equity share			
Diluted (in ₹)	32	53.00	43.00

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

P Rajesh Kumar
Partner
(Membership No.: 225366)

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

Milind Mehta
Director
(DIN : 01297508)

Anup Kumar Samal
Company Secretary
(Membership No.F4832)

Place : Chennai
Date : 21 May 2026

Place : Chennai
Date : 21 May 2026

Statement of Cash Flows

for the year ended 31 March 2026

(All amounts are in millions of Indian Rupees, unless otherwise stated)

	Year ended 31 March 2026	Year ended 31 March 2025
A. Cash flow from operating activities		
Profit before tax and exceptional items	4,541	3,615
Exceptional items	(47)	-
Profit before tax	4,494	3,615
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization expense	39	30
Unrealized foreign exchange (gain)/loss	(633)	47
Bad and doubtful debts, net	766	15
Unclaimed credit balances	(147)	(46)
Loss /(Gain) on sale of property, plant and equipment, net	1	(2)
Impairment of investment	2	2
Expense on Employee Stock Option Plan (ESOP)	101	166
Interest expenses	88	186
Interest and dividend income	(399)	(207)
(Reversal)/Provision for foreseeable losses on contracts	(4)	(8)
Provision for compensated absences and gratuity	50	47
Provision for liquidated damages	-	36
Provision for warranty	697	373
Operating profit before working capital changes	5,055	4,254
Changes in working capital		
(Increase) in trade receivables	(5,114)	(814)
Decrease in other financial assets	50	112
(Increase) in other current assets	(111)	(1,465)
Decrease/(Increase) in inventories	13	(50)
Increase in trade payables	1,859	1,751
Increase in other financial liabilities	32	56
Increase in other liabilities	1,205	1,288
(Decrease) in provisions	(4)	(111)
Cash generated from operating activities	2,985	5,021
Direct taxes paid, net	(952)	(810)
Net cash generated from operating activities (a)	2,033	4,211
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(49)	(44)
Proceeds from sale of property, plant and equipment and intangible assets	3	6
Purchase of investments	(20)	(112)
(Issue) /Receipt of loans to inter company,net	(81)	-
Interest received	393	153
Net movement in bank deposits	(159)	(1,434)
Net cash generated from /(used in) investing activities (b)	87	(1,431)

Statement of Cash Flows

for the year ended 31 March 2026

(All amounts are in millions of Indian Rupees, unless otherwise stated)

	Year ended 31 March 2026	Year ended 31 March 2025
C. Cash flow from financing activities		
(Repayment) of long-term borrowings	(216)	(164)
Proceeds/(Repayment) from short term borrowings, net	(1,303)	802
Proceeds from issue of equity shares including securities premium	63	-
Interest paid	(82)	(186)
Dividend paid	(249)	-
Net cash generated from / (used in) financing activities (c)	(1,787)	452
D. Net change in cash and cash equivalents (a+b+c)	333	3,232
Effects of foreign currency translation	15	11
E. Cash and cash equivalents at the beginning of the year	6,142	2,899
F. Cash and cash equivalents at the end of the year	6,490	6,142
Cash and cash equivalents include		
Cheques on hand	1,666	2,640
Balances with banks		
- in current accounts	610	1,011
- in deposit accounts (with original maturity upto 3 months)	4,214	2,491
Cash and cash equivalents as per note 11	6,490	6,142

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

P Rajesh Kumar
Partner
(Membership No.: 225366)

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

Milin Mehta
Director
(DIN : 01297508)

Anup Kumar Samal
Company Secretary
(Membership No:F4832)

Place : Chennai
Date : 21 May 2026

Place : Chennai
Date : 21 May 2026

Statement of Changes in Equity

for the year ended 31 March 2026

(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 2024		124
Balance as at 31 March 2025	14	124
Balance as at 31 March 2026		125

B. Other equity

Particulars	Note	Other equity							Total
		Reserves and surplus					Securities premium	Share application money pending allotment	
		Capital reserve	Stock option outstanding account	General reserve	Surplus in the statement of profit and loss	Accumulated other comprehensive income			
Balance as at 01 April 2024		25	-	334	10,593	(53)	3,939	-	14,838
Dividends		-	-	-	-	-	-	-	-
Transactions with owners		-	-	-	-	-	-	-	-
ESOP Benefit created during the year		-	166	-	-	-	-		166
Profit for the year	15	-	-	-	2,713	-	-	-	2,713
Other comprehensive income		-	-	-	-	(5)	-	-	(5)
Total comprehensive income		-	166	-	2,713	(5)	-	-	2,874
Balance as at 31 March 2025		25	166	334	13,306	(58)	3,939	-	17,712

Statement of Changes in Equity

for the year ended 31 March 2026

(All amounts are in millions of Indian Rupees, unless otherwise stated)

Particulars	Note	Other equity							Total
		Reserves and surplus					Securities premium	Share application money pending allotment	
		Capital reserve	Stock option outstanding account	General reserve	Surplus in the statement of profit and loss	Accumulated other comprehensive income			
Dividends		-	-	-	(249)	-	-	-	(249)
Share application money received		-	-	-	-	-	-	62	62
Issue of share capital on exercise of employee share option		-	(34)	-	-	-	95	-	61
Equity shares allotted		-	-	-	-	-	-	(61)	(61)
Transactions with owners		-	(34)	-	(249)	-	95	1	(187)
ESOP Benefit created during the year	15	-	101	-	-	-	-	-	101
Profit for the year		-	-	-	3,344	-	-	-	3,344
Other comprehensive income		-	-	-	-	(13)	-	-	(13)
Total comprehensive income		-	101	-	3,344	(13)	-	-	3,432
Balance as at 31 March 2026		25	233	334	16,401	(71)	4,034	1	20,957

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

P Rajesh Kumar
Partner
(Membership No.: 225366)

Place : Chennai
Date : 21 May 2026

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 2026

Milin Mehta
Director
(DIN : 01297508)

Anup Kumar Samal
Company Secretary
(Membership No:F4832)

Summary of Material Accounting Policies and other Accounting Policies

1. Nature of Operations

VA Tech Wabag Limited ('the Company') 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.

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 2026 are approved and authorized for issue by the Board of Directors on 21 May 2026.

The standalone financial statements of the Company are prepared in accordance with Ind AS under the historical cost convention on an accrual basis except for certain financial assets and financial liabilities that have been measured at fair value. The Company's functional currency is Indian Rupees. These standalone financial statements are presented in millions of Indian rupees 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 2026.

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

Summary of Material Accounting Policies and other Accounting Policies

Operation and maintenance contracts - Customer contracts towards operation and maintenance of water treatment facilities and its associated infrastructure

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 receivables". 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 works and Billing in Advance of work completed

The amount due from the customer is classified and presented under Trade receivables and Due from customer for construction contract works. Trade receivables represents progress billings raised to the customers as per the contractual milestones and remaining uncollected as of the reporting date. Due from customers for construction contract works 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.

Summary of Material Accounting Policies and other Accounting Policies

2.3 Trade Receivables

Trade Receivables are recognised based on the contractual terms agreed with customers and are initially measured at the transaction price, as the arrangement does not include a significant financing component.

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 also measures 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

Expenses which by the nature fall under other expenses to the extent exclusively pertaining to project/operations have been included in the cost of sales and services for appropriate presentation.

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 judgment

The following is significant management judgment 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:

Summary of Material Accounting Policies and other Accounting Policies

- 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.

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.

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

Freehold Land

Freehold 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

Summary of Material Accounting Policies and other Accounting Policies

necessary for them to be capable of operating in the manner intended by the Company's management. Buildings and other equipment are subsequently measured at cost less accumulated depreciation and any impairment losses.

Advances paid towards acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of property, plant and equipment not ready for the intended use before reporting date is disclosed as capital work in progress.

Subsequent expenditure incurred on an item of property, plant and equipment is added to the book value of that asset only if this increases the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation on assets is provided on straight-line method at the rates and in the manner prescribed in Schedule II to the Companies Act, 2013 except for vehicles where the management believes that the useful life of 5 years would best represent the period over which the management expects to use these assets and the residual value is 20% of the acquisition cost which is considered to be the amount recoverable at the end of the asset's useful life.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are 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 softwares are stated at cost less accumulated amortization and are being amortized on a straight line basis over the estimated useful life of 5 years.

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 is 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

Summary of Material Accounting Policies and other Accounting Policies

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.

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. 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 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.

Summary of Material Accounting Policies and other Accounting Policies

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.

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.

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.

Summary of Material Accounting Policies and other Accounting Policies

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.

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 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.

Summary of Material Accounting Policies and other Accounting Policies

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.

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

Summary of Material Accounting Policies and other Accounting Policies

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.

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 Employee stock option plan

Share based compensation benefits are provided to employees via "Wabag Centenary Stock Option Scheme 2023" of the Company.

The fair value of options granted under the scheme is recognised as an employee benefit expenses with 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) 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 specific time period) and

Summary of Material Accounting Policies and other Accounting Policies

- 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)

3.15 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.

3.16 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.

3.17 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.

3.18 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.

3.19 Significant management judgement in applying accounting policies and estimation uncertainty

When preparing the standalone financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

(i) Significant management judgement

The following are significant management judgements in applying the accounting policies of the Company that have the most significant effect on the standalone financial statements.

Summary of Material Accounting Policies and other Accounting Policies

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

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

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	Plant and machinery	Furniture and fittings	Electrical equipment	Office equipment	Computers	Vehicles	Total	Computer software
Gross carrying value										
Balance as at 01 April 2024	170	403	37	203	56	64	52	34	1,018	128
Additions	-	-	-	-	1	1	15	27	44	0
Disposals	-	-	-	-	(1)	(0)	(1)	(12)	(14)	-
Balance as at 31 March 2025	170	403	37	203	56	65	66	49	1,048	128
Additions	-	-	-	4	1	3	19	21	48	1
Disposals	-	-	-	-	-	-	(1)	(6)	(7)	-
Balance as at 31 March 2026	170	403	37	207	57	68	84	64	1,089	129
Accumulated depreciation/ amortization										
Balance as at 01 April 2024	-	61	22	199	54	62	35	4	437	111
Depreciation/amortization expense for the year	-	7	3	2	1	0	8	5	26	4
Reversal on disposal of assets	-	-	-	-	(1)	(0)	(1)	(9)	(11)	-
Balance as at 31 March 2025	-	68	25	201	54	62	42	0	452	115
Depreciation/amortization expense for the year	-	7	2	2	1	1	13	9	35	4
Reversal on disposal of assets	-	-	-	-	-	-	(0)	(4)	(4)	-
Balance as at 31 March 2026	-	75	27	203	55	63	55	5	483	119
Net carrying value										
Balance as at 31 March 2025	170	335	12	2	2	3	24	49	596	13
Balance as at 31 March 2026	170	328	10	4	2	5	29	59	606	10

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

5. Investments

	As at 31 March 2026	As at 31 March 2025
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
VA Tech Wabag and Roots Contracting LLC, (Qatar) # (98 (Previous year : 98) equity shares of QAR 1,000 each)	0	0
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)	(277)	(275)
Wabag Belhasa JV WLL, (Bahrain)## , ***** (49 (Previous year : 49) equity shares of BHD 50 each)	0	0
Ghaziabad Water Solutions Private Limited (1,709,999 (Previous Year: 1,709,999) equity shares of ₹ 10 each)	17	17
	343	345
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	36
VA Tech Wabag and Roots Contracting LLC, (Qatar) # (98 (Previous year : 98) equity shares of QAR 1,000 each)	2	2
	38	38
Investments in equity instruments of joint venture (fully paid-up)		
Ghaziabad Bioenergy Private Limited ***** (5,100 (Previous Year: Nil) equity shares of ₹ 10 each)	0	-
	0	-
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 * (5,000 (Previous year : 5,000) equity shares of ₹ 10 each)	0	0
Aurangabad City Water Utility Company Limited** (5,000 (Previous year : 5,000) equity shares of ₹ 10 each)	0	0
Ganapati Marine Enterprises Private Limited *** (Nil (Previous Year: 813) equity shares of ₹ 10 each)	-	0
Kopri Bio Engineering Private Limited **** (5,100 (Previous Year: 5,100) equity shares of ₹ 10 each)	0	0
Mandothari Apparels private limited (5,000 (Previous Year: Nil) equity shares of ₹ 100 each)	1	-
	3	2

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

5. Investments (Contd..)

	As at 31 March 2026	As at 31 March 2025
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
(Nil (Previous year : 19,080,000) 8% Non convertible debentures of ₹ 10 each)		
Ghaziabad Water Solutions Private Limited	608	608
(60,800,000 (Previous year : 60,800,000) 8% Non convertible debentures of ₹ 10 each)		
	693	884
Investments in compulsory convertible preference shares of associate (fully paid-up)		
Ganga STP Project Private Limited	97	97
(9,699,000 (Previous year : 9,699,000) compulsory convertible preference shares of ₹ 10 each)		
	97	97
Investments in Compulsory Convertible Debentures		
DK Sewage Project Private Limited	259	47
(25,910,000 (Previous year : 4,650,000) 8% Compulsory convertible debentures of ₹ 10 each)		
	259	47
Total non-current investments	1,433	1,412
Aggregate amount of unquoted investments	1,710	1,687
Aggregate amount of impairment in the value of investments	277	275

* 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 ₹ Nil (Previous year: ₹ 8,130), 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.

***** Since the amount of investment is ₹ 51,000 (Previous year: Nil), the same is below the rounding off norm adopted by the Company.

Ghaziabad Bioenergy Private Limited (GBPL) was incorporated on 16 February 2026 as project specific entity. The Company has entered into Share Holder's Agreement (SHA) with Peak Sustainability Partners LLP (PEAK) on 09 April 2026 for subscription of the Company's Securities, pursuant to which the Company and PEAK will own economic interest of 50% each in GBPL and exercise joint control, thereby classifying GBPL as joint venture as on reporting date.

	As at 31 March 2026	As at 31 March 2025
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%
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%
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 28 March 2024)	49.8%	49.8%
Extent of investment in joint venture		
Ghaziabad Bioenergy Private Limited	51%	-

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

5. Investments (Contd..)

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.

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 been assessed and determined that it the Company 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.

The term loans availed in the Special Purpose Vehicles ('SPVs'), namely Ganga STP Project Private Limited, DK Sewage Project Private Limited, and Ghaziabad Water Solutions Private Limited, for projects being implemented under the Design, Build, Finance, Operate, and Transfer ('DBFOT') model are secured by way of a charge over the assets, securities of the respective SPVs (investments in securities held by the Company in these SPVs), in accordance with the provisions set out in the relevant financing agreements.

6. Trade receivables

(Unsecured considered good, unless stated otherwise)

	As at 31 March 2026	As at 31 March 2025
Non-current		
Customer retention	6,468	5,938
	6,468	5,938
Current		
Trade receivables	22,462	18,128
Customer retention	459	202
	22,921	18,330
Credit impaired		
- Trade receivables	926	494
- Customer retention	20	17
Less : Allowances for expected credit loss		
- Trade receivables	(926)	(494)
- Customer retention	(20)	(17)
	-	-
	22,921	18,330

Trade receivables include dues from related parties amounting to ₹ 1,095 Millions (31 March 2025: ₹ 1,333 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.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

6. Trade receivables (Contd..)

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 ₹ 435 Millions (2024-25: ₹ (457 Millions)) has been (utilised)/created respectively within other expenses. The Company has provided for expected credit loss on its trade receivables using a provisioning matrix and specific provisioning, where appropriate, representing expected credit losses based on a range of outcomes.

Movement in allowances for expected credit loss

	Year ended 31 March 2026	Year ended 31 March 2025
Balance at the beginning of the year	511	968
Additions / (Utilised) during the year, net	435	(457)
Balance at the end of the year	946	511

Ageing for trade receivables - billed – Non current outstanding as at 31 March 2026 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	5,858	-	-	-	-	-	5,858
ii) Undisputed Trade Receivables - Which have been significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables considered good	610	-	-	-	-	-	610
v) Disputed Trade Receivables - Which have been significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Total	6,468	-	-	-	-	-	6,468
Less: Allowance for expected credit loss							-
Trade Receivables - Non Current							6,468

Ageing for trade receivables - billed – Non current outstanding as at 31 March 2025 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	4,995	18	-	-	-	-	5,013
ii) Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables-Credit Impaired	-	-	-	-	-	-	-
iv) Disputed Trade Receivables considered good	925	-	-	-	-	-	925
v) Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Total	5,920	18	-	-	-	-	5,938
Less: Allowance for expected credit loss							-
Trade Receivables - Non Current							5,938

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 2026 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	9,770	6,403	3,407	1,927	752	656	22,915
ii) Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables-Credit Impaired	-	-	163	185	171	391	910
iv) Disputed Trade Receivables considered good	-	-	-	-	-	6	6
v) Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	36	36
Total	9,770	6,403	3,570	2,112	923	1,089	23,867
Less: Allowance for expected credit loss							(946)
Trade Receivables - Current							22,921

Ageing for trade receivables - billed – current outstanding as at 31 March 2025 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	8,074	3,230	3,738	1,845	946	463	18,296
ii) Undisputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade Receivables-Credit Impaired	-	-	174	105	124	108	511
iv) Disputed Trade Receivables considered good	-	-	-	-	16	18	34
v) Disputed Trade Receivables - Which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade Receivables - Credit Impaired	-	-	-	-	-	-	-
Total	8,074	3,230	3,912	1,950	1,086	589	18,841
Less: Allowance for expected credit loss							(511)
Trade Receivables - Current							18,330

7. Other financial assets (Unsecured, considered good)

	As at 31 March 2026	As at 31 March 2025
Non-current		
Security deposits	311	313
Advances to employees	3	3
Non-current bank balances	-	16
	314	332
Current		
Security deposits	32	102
Tender deposits	147	81
Rental deposits	20	19
Dues from related parties (Also refer note 37(c))	198	220
Advances to employees	6	8
	403	430

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

7. Other financial assets (Contd..)

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)

	As at 31 March 2026	As at 31 March 2025
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	12	16
- Allowances for expected credit loss	269	203
- Others	77	76
Total deferred tax asset A	358	295
Deferred tax liability arising on account of :		
- Carrying value of property, plant and equipment / intangible assets as per tax laws and books.	(41)	(38)
Total deferred tax liability B	(41)	(38)
Net deferred tax assets (A+B)	317	257

Deferred tax recognized in statement of profit and loss and other comprehensive income for the year ended 31 March 2026:

	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	-	(4)
- Allowances for expected credit loss	-	66
- Others	-	1
Deferred tax liability arising on account of :		
- Carrying value of property, plant and equipment / Intangible assets as per tax laws and books.	-	(3)
Total	-	60

Deferred tax recognized in statement of profit and loss and other comprehensive income for the year ended 31 March 2025:

	Recognised in Other comprehensive Income	Recognised in statement of profit and loss
Deferred tax asset arising on account of :		
- Provision for employee benefits, liquidated damages and foreseeable losses	-	(2)
- Allowances for expected credit loss	-	(129)
- Others	-	2
Deferred tax liability arising on account of :		
- Carrying value of property, plant and equipment / Intangible assets as per tax laws and books.	-	(4)
Total	-	(133)

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

8. Deferred tax assets (net) (Contd..)

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.

9. Income tax assets (net)

	As at 31 March 2026	As at 31 March 2025
Income tax assets net of provision for tax	266	188
	266	188

10. Inventories

	As at 31 March 2026	As at 31 March 2025
Contract inventories	10	13
Stores and spares	130	140
	140	153

11. Cash and bank balances

	As at 31 March 2026	As at 31 March 2025
Cash and cash equivalents		
Cheques on hand	1,666	2,640
Balances with banks		
- in current accounts [#]	610	1,011
- in deposit accounts (with original maturity upto 3 months) [#]	4,214	2,491
	6,490	6,142
Bank balances other than those mentioned in cash and cash equivalents		
Unpaid dividend account	0	0
Deposits with maturity less than 3 months [#]	1,211	635
Deposits with maturity more than 3 months but less than 12 months [#]	1,332	1,608
	2,543	2,243

[#] Deposits and balance with banks includes a sum of ₹ 817 Millions (31 March 2025 ₹ 832 Millions) held as margin money/in escrow account or security against the borrowings, guarantees and other commitments.

12. Loans (Unsecured, considered good)

	As at 31 March 2026	As at 31 March 2025
Current		
Loans to related parties (Also refer note 37(c))	220	139
	220	139

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

13. Other current assets (Unsecured, considered good)

	As at 31 March 2026	As at 31 March 2025
Dues from customers for construction contract works*	6,649	6,638
Advance to suppliers	629	890
Balances with government authorities	561	206
Prepaid expenses	182	177
Others	15	15
	8,036	7,926

* Includes allowance for expected credit loss amounting to ₹ 4 Millions (31 March 2025 : ₹ 13 Millions)

There are no advances due from directors or other officers of the Company.

14. Equity share capital

	As at 31 March 2026		As at 31 March 2025	
	Number	Amount	Number	Amount
Authorised				
Equity shares of ₹ 2 each	75,000,000	150	75,000,000	150
Issued, subscribed and fully paid up				
Equity shares of ₹ 2 each	62,309,595	125	62,190,428	124
	62,309,595	125	62,190,428	124

a) Reconciliation of share capital (Equity)

	As at 31 March 2026		As at 31 March 2025	
	Number	Amount	Number	Amount
Balance at the beginning of the year	62,190,428	124	62,190,428	124
Issue of share capital	119,167	0	-	-
Balance at the end of the year	62,309,595	125	62,190,428	124

b) Shareholders holding more than 5% of the aggregate shares in the Company

	As at 31 March 2026		As at 31 March 2025	
	Number	Amount	Number	Amount
Equity Shares of ₹ 2 each				
Mr. Rajiv Mittal	9,709,406	15.6%	9,709,406	15.6%
Ms. Rekha Rakesh Jhunjhunwala	5,000,000	8.0%	5,000,000	8.0%
	14,709,406	23.6%	14,709,406	23.6%

c) Shares held by promoters of the Company

	As at 31 March 2026		As at 31 March 2025	
	Number	Amount	Number	Amount
Equity Shares of ₹ 2 each				
Mr. Rajiv Mittal	9,709,406	15.6%	9,709,406	15.6%
Mr. S Varadarajan	2,185,762	3.5%	2,185,762	3.5%
	11,895,168	19.1%	11,895,168	19.1%

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

14. Equity share capital (Contd..)

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. In the Board meeting held on 21 May 2026, the dividend proposed by the Board of Directors at ₹ 5 per equity share is subject to the approval of the shareholders in the ensuing Annual General Meeting. This amount has not been recorded as a liability for the year ended 31 March 2026. 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. During the year ended 31 March 2026, the Company paid the final dividend of ₹ 4 per equity share for the year ended 31 March 2025 amounting to ₹ 249 Millions.

e) Shares reserved for issue under options

i) Terms and details of the ESOP scheme:

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	2,500,000
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	1,500,000 (Grant Date : 21 March 2024) ₹ 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-Scholes Options Pricing Model, The following assumptions were used for calculation of fair value of options granted. Risk free interest rate 6.97% Expected life of option 2.5 Expected volatility 37.18% Share price ₹ 682.8
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
n. Weighted average equity share price during the exercise period	Not applicable
o. Expenses on Employee Stock Option Scheme debited to the Statement of Profit and Loss	During the year ₹ 101 Million

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

14. Equity share capital (Contd..)

ii) Options movement during the year

Particulars	No of stock options
Number of options outstanding at the beginning of the period	1,389,940
Number of options granted during the year	Nil
Number of options allotted during the year	119,167
Number of options lapsed during the year	60,000
Number of options outstanding at the end of the period	1,210,773
Money realized by exercise of options (₹), as scheme is implemented directly by the Company	61,132,671

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 2026.

g) Capital management

The Company's capital management objectives are:

- to safeguard the Company's ability to continue as a going concern, and continue to provide optimum returns to the shareholders and all other stakeholders by building a strong capital base.
- to maintain an optimum capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders plus its borrowings, if any, less cash and bank balances.

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. The amounts managed as capital by the Company for the reporting periods under review are summarized as follows:

		As at 31 March 2026	As at 31 March 2025
Borrowings		920	2,335
Less: Cash and bank balances		(9,033)	(8,401)
Net debt	(A)	(8,113)	(6,066)
Total equity	(B)	21,082	17,836
Total equity and net debt	(C=A+B)	12,969	11,770
Gearing ratio	(A/C)	(62.6%)	(51.5%)

15. Other equity

	As at 31 March 2026	As at 31 March 2025
Securities premium		
Balance at the beginning of the year	3,939	3,939
Add : Additions made during the year	95	-
Balance at the end of the year	4,034	3,939

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

15. Other equity (Contd..)

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.

	As at 31 March 2026	As at 31 March 2025
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.

	As at 31 March 2026	As at 31 March 2025
Stock option outstanding account		
Balance at the beginning of the year	166	-
Add: Options granted during the year	101	166
Less: Options exercised during the year	(34)	-
Less: Options lapsed during the year	-	-
Balance at the end of the year	233	166

The stock option outstanding account is used to record the value of equity-settled share based payment transactions with employees. The amounts recorded in this account are transferred to securities premium reserve upon exercise of stock options by employees. In case of forfeiture, corresponding balance is transferred to general reserve.

	As at 31 March 2026	As at 31 March 2025
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.

	As at 31 March 2026	As at 31 March 2025
Surplus in the statement of profit and loss		
Balance at the beginning of the year	13,306	10,593
Add : Transfer from statement of profit and loss	3,344	2,713
Less: Final equity dividend paid	(249)	-
Balance at the end of the year	16,401	13,306

Surplus in the statement of profit and loss comprises of prior years' undistributed earnings after taxes.

	As at 31 March 2026	As at 31 March 2025
Accumulated other comprehensive income		
Balance at the beginning of the year	(58)	(53)
Add : Transfer from other comprehensive income	(13)	(5)
Balance at the end of the year	(71)	(58)

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

15. Other equity (Contd..)

	As at 31 March 2026	As at 31 March 2025
Share application money pending allotment		
Balance at the beginning of the year	-	-
Add : Share application money received	62	-
Less : Equity shares allotted	(61)	-
Balance at the end of the year	1	-

Share application money pending allotment represents applications received towards subscription from employees under ESOP schemes. The equity shares are expected to be allotted against the share application money within a reasonable period, not later than three months from the Balance Sheet date. The Company has sufficient authorised capital to cover the share capital amount on allotment of above shares.

Total other equity	20,957	17,712
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16. Trade payables

	As at 31 March 2026	As at 31 March 2025
Non-current		
Dues to micro and small enterprises (Also, refer note (a) below)	-	-
Dues to others	1,892	2,334
	1,892	2,334
Current		
Dues to micro and small enterprises (Also refer note (a) below)	714	111
Dues to others	11,290	9,548
	12,004	9,659

Ageing for trade payables - billed – Non current outstanding as at 31 March 2026 is as follows:

Particulars	Outstanding for following periods from due date of payments					
	Not Due	Less than 1 year	1-2 Years	2-3 Years	More than 3 Years	Total
MSME	-	-	-	-	-	-
Others	1,886	-	-	-	-	1,886
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	6	-	-	-	-	6
Total	1,892	-	-	-	-	1,892

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 – Non current outstanding as at 31 March 2025 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	2,334	-	-	-	-	2,334
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	2,334	-	-	-	-	2,334

Ageing for trade payables - billed – current outstanding as at 31 March 2026 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	502	186	11	12	3	714
Others	5,227	4,376	764	260	658	11,285
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	1	4	5
Total	5,729	4,562	775	273	665	12,004

Ageing for trade payables - billed – current outstanding as at 31 March 2025 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	57	46	2	2	4	111
Others	2,235	6,029	437	319	503	9,523
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	2	-	23	25
Total	2,292	6,075	441	321	530	9,659

The carrying values of trade payables are considered to be a reasonable approximation of fair value.

	As at 31 March 2026	As at 31 March 2025
a) Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006:		
i) Principal amount remaining unpaid	714	111
ii) Interest due thereon	13	6
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	-	-

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

16. Trade payables (Contd..)

	As at 31 March 2026	As at 31 March 2025
v) Interest accrued and remaining unpaid as at the year end	13	6
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 ₹ 147 Millions (2024-25: ₹ 46 Millions) during the year have been reversed from trade payables .

17. Other financial liabilities

	As at 31 March 2026	As at 31 March 2025
Non-current		
Employee related payables	25	19
	25	19
Current		
Dues to related parties	8	8
Unpaid dividends	0	0
Employee related payables	334	299
Interest payables and others	9	16
	351	323
Total financial liabilities	376	342
Financial liabilities carried at amortized cost	376	342
Financial liabilities carried at fair value through profit and loss	-	-

18. Provisions

	As at 31 March 2026	As at 31 March 2025
Non-current		
Provision for employee benefits		
- Compensated absences	39	48
	39	48
Current		
Provision for warranty	1,907	1,210
Provision for liquidated damage	-	-
Provision for foreseeable losses on contracts	(0)	4
Provision for employee benefits		
- Gratuity	103	18
- Compensated absences	27	39
	2,037	1,271

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

18. Provisions (Contd..)

a) Provision for warranty

	Year ended 31 March 2026	Year ended 31 March 2025
Balance at the beginning of the year	1,210	859
Provided during the year, net	697	373
Utilised during the year	-	(22)
Balance at the end of the year	1,907	1,210

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.

b) Provision for liquidated damages

	Year ended 31 March 2026	Year ended 31 March 2025
Balance at the beginning of the year	-	-
Created during the year, net	-	36
Utilised during the year	-	(36)
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

	Year ended 31 March 2026	Year ended 31 March 2025
Balance at the beginning of the year	4	11
Created / (Reversed) during the year, net	(4)	(7)
Utilised during the year	-	-
Balance at the end of the year	0	4

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 "Code on Social Security, 2020", 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.

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

18. Provisions (Contd..)

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.

	Year ended 31 March 2026	Year ended 31 March 2025
Change in projected benefit obligation		
Defined benefit obligation at the beginning of the year	115	104
Current service cost	15	10
Past service cost	68	-
Interest cost	8	6
Actuarial (gain)/loss	13	8
Benefits paid	(10)	(13)
Defined benefit obligation at the end of the year	209	115
Thereof		
Unfunded	103	17
Funded	106	98
Change in plan assets		
Fair value of plan assets at the beginning of the year	98	80
Expected return on plan assets	6	6
Actuarial gain/(loss)	(5)	1
Employer contributions	18	24
Benefits paid	(10)	(13)
Fair value of plan assets at the end of the year	106	98
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	209	114
Fair value of plan assets at the end of the year	(106)	(97)
Liability recognised in the balance sheet	103	17
Components of net gratuity costs are:		
Current service cost	15	10
Interest cost	8	6
Past service cost	68	-
Expected return on plan assets	(6)	(6)
Recognized net actuarial loss	18	7
Net gratuity costs recognised during the year	103	17
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	104	95
Group debt fund	2	1
Group short term debt fund	0	0
Total	106	96

	Year ended 31 March 2026	Year ended 31 March 2025
Principal actuarial assumptions used:		
Discount rate	6.86%	6.57%
Long-term rate of compensation increase	10.00% for first year, 5.00% thereafter	5.00%
Expected rate of return on plan assets	6.86%	6.57%
Average remaining life (in years)	23	23
Attrition rate	20.00%	20.00%

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

18. Provisions (Contd..)

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 ₹ 103 Millions to be paid for financial year 2025-26. The weighted average duration of the defined benefit obligation as at 31 March 2026 is 4.34 years (31 March 2025: 4.72 years)

Employee benefits - Maturity profile of defined benefit obligation:

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2026					
Defined benefit obligation	59	40	84	87	270
31 March 2025					
Defined benefit obligation	34	21	45	44	144

The significant actuarial assumptions for the determination of the defined benefit obligation are the attrition rate, discount rate and the long-term rate of compensation increase. The calculation of the net defined benefit liability is sensitive to these assumptions. The following table summarises the effects of changes in these actuarial assumptions on the defined benefit liability:

	Attrition rate		Discount rate		Future salary	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2026						
> Sensitivity Level	0.5%	(0.5%)	0.5%	(0.5%)	0.5%	(0.5%)
> Impact on defined benefit obligation	0.02	(0.03)	(3.28)	3.40	5.69	(5.49)
31 March 2025						
> Sensitivity Level	0.5%	(0.5%)	0.5%	(0.5%)	0.5%	(0.5%)
> Impact on defined benefit obligation	(0.02)	0.01	(1.75)	1.81	1.66	(1.64)

(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 ₹ 12 Millions (2024-25: ₹ 36 Millions).

	Year ended 31 March 2026	Year ended 31 March 2025
Principal actuarial assumptions used :		
Discount rate	6.86%	6.57%
Long-term rate of compensation increase	10.00% for first year, 5.00% thereafter	5.00%
Average remaining life	23	23
Attrition rate	20.00%	20.00%

(iii) Defined contribution plan : (Note 27) amount of ₹ 90 million (2024-25 : ₹ 77 million) is recognised as an expense

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

19. Other liabilities

	As at 31 March 2026	As at 31 March 2025
Non-current		
Advance from customers	2,074	1,817
	2,074	1,817
Current		
Statutory dues	111	859
Billing in advance of work completed	19	71
Advance from customers	2,114	1,301
Unbilled Payables	6,967	6,034
Others	125	116
	9,336	8,381

20. Borrowings

	As at 31 March 2026	As at 31 March 2025
Non-current borrowings (Secured)		
Debentures	379	594
	379	594
Current borrowings (Secured)		
From Banks		
Foreign currency packing credit and demand loan	319	1,519
Cash Credit	-	0
Current maturities of long term borrowings	222	222
	541	1,741

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 (USD) and Euro (EUR) at an interest rates ranging from 2.86% p.a to 6.83% p.a (31 March 2025: 3.21% p.a to 6.99% 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 during the previous year at an interest rate of 9.65% p.a to 10.05% p.a and are secured against receivables of the Company.
- During the financial year 2023-24 the Company issued debentures to Asian Development Bank , which is secured by first pari-passu charge on the entire current assets of the Company except MRPL Project and BUIDCO Bhagalpur Project and repayable over 18 quarterly instalments from August 2024. During the current year interest rate has been repriced to 6.61% p.a., (31 March 2025: 7.695% p.a).

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

21. Current tax liabilities (net)

	As at 31 March 2026	As at 31 March 2025
Current tax liabilities net of advance taxes	407	76
	407	76

22. Financial instruments

Categories of financial assets and financial liabilities

	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Total
As at 31 March 2026			
Financial assets			
Investments	3	-	3
Loans	-	220	220
Trade receivables	-	29,389	29,389
Cash and bank balances	-	9,033	9,033
Other financial assets	-	717	717
	3	39,359	39,362

	Financial liabilities at fair value through profit and loss	Financial liabilities at amortised cost	Total
As at 31 March 2026			
Financial liabilities			
Trade payables	-	13,896	13,896
Borrowings	-	920	920
Other financial liabilities	-	376	376
	-	15,192	15,192

	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Total
As at 31 March 2025			
Financial assets			
Investments	2	-	2
Loans	-	139	139
Trade receivables	-	24,268	24,268
Cash and bank balances	-	8,385	8,385
Other financial assets	-	762	762
	2	33,554	33,556

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

22. Financial instruments (Contd..)

	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Total
As at 31 March 2025			
Financial liabilities			
Trade payables	-	11,993	11,993
Borrowings	-	2,335	2,335
Other financial liabilities	-	342	342
	-	14,670	14,670

Investments excludes equity and other instruments in subsidiaries and associates amounting to ₹ 1,430 Millions (previous year ₹ 1,410 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 2026 and 31 March 2025.

Also refer note 38 fair value measurement

23. Revenue from operations

	Year ended 31 March 2026	Year ended 31 March 2025
Sale of services		
Export	14,006	10,844
Domestic	18,472	17,716
	32,478	28,560
Other operating revenues, net (Also refer note 16 (b))	366	178
	32,844	28,738

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

	Year ended 31 March 2026	Year ended 31 March 2025
Construction contracts	27,003	23,612
Operation and maintenance contracts	5,475	4,948
	32,478	28,560

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

23. Revenue from operations (Contd..)

b) Based on Customers

	Year ended 31 March 2026	Year ended 31 March 2025
Industrial	7,600	8,074
Municipal	24,878	20,486
	32,478	28,560

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 2026 amounting to ₹ 147,618 Millions (31 March 2025 : ₹ 110,366 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

	Year ended 31 March 2026	Year ended 31 March 2025
Opening contract price of orders as at 01 April	1,10,366	84,111
Fresh orders /Change in orders received, net	64,465	54,465
Total revenue recognised during the year	(32,478)	(28,560)
Effects of foreign exchange movement	5,265	350
Closing contract price of orders as at 31 March	1,47,618	1,10,366

24. Other income

	Year ended 31 March 2026	Year ended 31 March 2025
Profit on sale of property, plant and equipment, net	-	2
Interest income from deposits with banks and others	399	206
Exchange gain on Foreign currency, net	771	161
	1,170	369

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

	Year ended 31 March 2026	Year ended 31 March 2025
Engineering costs	393	684
Material costs	13,561	11,329
Civil costs	5,681	4,843
Erection and commissioning costs	905	702
Taxes and duties	214	3
Site establishment costs	886	689
Project consultancy fee	47	53
Warranty expenses (Also refer note 18(a))	697	373
Foreseeable losses/(Reversal) on contracts (Also refer note 18(c))	(4)	(8)
Project travel	234	201
Project Insurance	101	62
Power and fuel	169	367
Liquidated damages (Also refer note 18(b))	-	36
Other operation and maintenance expenses	771	770
Other project expenses	1,461	2,201
	25,116	22,305

26. Changes in inventories

	Year ended 31 March 2026	Year ended 31 March 2025
Inventories at the beginning of the year		
Contract inventories	13	9
Stores and spares	140	94
	(A) 153	103
Less: Inventories at the end of the year		
Contract inventories	10	13
Stores and spares	130	140
	(B) 140	153
	(A-B) 13	(50)

27. Employee benefits expense

	Year ended 31 March 2026	Year ended 31 March 2025
Salaries and wages	2,214	1,907
Gratuity and compensated absences (Also refer note 18(d))	50	47
Contribution to provident and other defined contribution funds	90	77
Staff welfare expenses	123	123
	2,477	2,154

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

28. Finance costs

	Year ended 31 March 2026	Year ended 31 March 2025
Interest expenses for borrowings at amortised cost	88	186
Bank charges	440	406
	528	592

29. Depreciation and amortization expense

	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation of property, plant and equipment (Also refer note 4)	35	26
Amortization of intangible assets (Also refer note 4)	4	4
	39	30

30. Other expenses

	Year ended 31 March 2026	Year ended 31 March 2025
Rent (Also refer note 34)	26	25
Insurance	4	4
Power and fuel	19	20
Rates and taxes	5	3
Repairs and maintenance	54	52
Professional charges (Also refer note 35)	194	145
Communication expenses	7	7
Travelling and conveyance	65	62
Bad and doubtful debts, net	766	15
Loss on sale of property, plant and equipment, net	1	-
Impairment of investments	2	2
Corporate social responsibility expenses (Also refer note 36)	52	36
Printing and stationery	5	5
Office and maintenance expenses	28	23
Research and development expenses	33	28
Miscellaneous expenses	39	34
	1,300	461

31. Income taxes

The major components of income tax expense for the year ended 31 March 2026 and 31 March 2025 are:

	Year ended 31 March 2026	Year ended 31 March 2025
Current tax:		
Income tax expense	1,210	769
Deferred tax:		
Relating to origination and reversal of temporary differences	(60)	133
Tax expense reported in the statement of profit and loss	1,150	902
Income tax relating to items that will not be reclassified to profit and loss	5	2
Tax expense reported in other comprehensive income	5	2

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 25.49% (31 March 2025: 24.95%) and the reported tax expense in the statement of profit and loss are as follows:

	Year ended 31 March 2026	Year ended 31 March 2025
Profit before taxes	4,494	3,615
Enacted tax rates	25.168%	25.168%
Tax on profit at enacted tax rate	1,131	910
Tax effect on non deductible expenses	14	10
Others	5	(18)
Income tax expense	1,150	902
Current tax	1,210	769
Deferred tax	(60)	133
Income tax expense reported in the statement of profit and loss	1,150	902

32. Earnings per equity share (EPS)

	Year ended 31 March 2026	Year ended 31 March 2025
For profit for the year		
Nominal value of equity shares (in ₹)	2	2
Profit attributable to equity shareholders (A)	3,344	2,713
Weighted average number of equity shares outstanding during the year (B)	6,22,55,692	6,21,90,428
Basic earnings per equity share (A/B) (in ₹)	53.71	43.62
For profit for the year		
Dilutive effect on profit (C)	-	-
Profit attributable to equity shareholders for computing diluted EPS (D) = (A+C)	3,344	2,713
Dilutive effect on weighted average number of equity share options outstanding during the year (E)	8,41,234	9,03,303
Weighted average number of equity shares for computing diluted EPS (F) = (B+E)	6,30,96,926	6,30,93,731
Diluted earnings per equity share (D/F) (in ₹)	53.00	43.00

33. Contract assets and contract liabilities

Contract Balances

	Year ended 31 March 2026	Year ended 31 March 2025
Movement in contract assets		
Opening balance	6,638	5,433
Changes in the measure of progress, claims and other adjustments, net	2,246	2,183
Transfer to trade receivables, net	(2,235)	(978)
Closing balance	6,649	6,638

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..)

Contract Balances	Year ended 31 March 2026	Year ended 31 March 2025
Movement in contract Liabilities		
Opening balance	3,189	3,861
Advances received during the year	1,729	480
Billing in advance for work completed	16	71
Advances offset against billing, net	(658)	(1,186)
Revenues recognised during the year	(68)	(37)
Closing balance	4,207	3,189

34. Leases

	Year ended 31 March 2026	Year ended 31 March 2025
(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)	26	25
(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)*

	Year ended 31 March 2026	Year ended 31 March 2025
As auditor		
Audit fees	7	6
Taxation matters	0	0
Other services	3	1
Reimbursement of expenses	1	1
	11	8

* excluding taxes

36. Expenditure on Corporate Social Responsibility (CSR)

	Year ended 31 March 2026	Year ended 31 March 2025
a) Amount required to be spent by the company during the year	50	36
b) Amount of expenditure incurred	52	36
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
	VA Tech Wabag Deutschland GmbH, Germany
	Wabag Water Services s.r.l., Romania (ceased to be a subsidiary effective 30 June 2024)
	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 Muhibbah JV Sdn Bhd, Malaysia
	Wabag Belhasa JV WLL, Bahrain
	VA Tech Wabag and Roots Contracting LLC, Qatar
	Ghaziabad Water Solutions Private Limited
Associate	Windhoek Goreangab Operating Company (Pty) Limited, Namibia
	Ganga STP Project Private Limited, India
	DK Sewage Project Private Limited, India
	VA Tech Wabag and Roots Contracting LLC, Qatar
Joint Venture	Ghaziabad Bio Energy Private Limited (Joint Venture effective 16 February 2026)
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 - Independent director
	Mr. Amit Goela - Non Executive Non Independent director
	Mr. Skandaprasad Seetharaman - Chief Financial Officer
	Mr. Shailesh Kumar - CEO India Cluster
	Mr. Arulmozhi - CFO India Cluster
	Mr. Bhupesh Chowdhary Nagineni - Deputy Managing Director (w.e.f 21 May 2026)
	Mr. Anup Kumar Samal - Company Secretary & Compliance Officer
	Mr. Rohan Mittal - Head - Strategy & Business Growth -GCC (w.e.f 21 May 2026) (Relative of Chairman and Managing Director)
Other Related Party (Relative of Chairman & Managing Director)	Ms. Shamali Chavan - Senior Engineer (w.e.f 14 February 2025)
	Ms. Ruchi Mittal - Consultant (w.e.f 02 June 2025)

b) Transactions with related parties

	Year ended 31 March 2026				Year ended 31 March 2025			
	Subsidiaries	Associates	Joint venture	KMP and other related party	Subsidiaries	Associates	Joint venture	KMP and other related party
Sale of goods/services	56	125	-	-	479	614	-	-
Purchase of goods/services	498	-	-	-	469	-	-	-
Investments	-	22	0	-	113	-	-	-
Others operating income	57	-	-	-	34	-	-	-
Other Income	13	20	-	-	0	9	-	-
Other expenses	35	3	-	-	36	-	-	-
Reimbursements from /to, net	4	-	-	-	3	-	-	-

Notes forming part of the Standalone Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

37. Related party disclosures (Contd..)

c) Balances with related parties

	As at 31 March 2026				As at 31 March 2025			
	Subsidiaries	Associates	Joint venture	KMP and other related party	Subsidiaries	Associates	Joint venture	KMP and other related party
Advances/ amount recoverable	710	539	-	-	794	737	-	-
Loan including interest	17	247	-	-	33	128	-	-
Creditors/ Payables	682	12	-	12	510	9	-	8

Note:

The maximum amount of Loans and advances in the nature of Loans outstanding during the year in accordance with Regulation 34(3) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations 2015 is as below:

- DK Sewage Project Private Limited ₹ 116 Millions (31 March 2024 ₹ 15 Millions)
- Ghaziabad Water Solutions Private Limited - ₹ 57 Millions (31 March 2025 ₹ 19 Millions)
- Ganga STP Projects Private Limited ₹ 117 Millions (31 March 2025 ₹ 105 Millions)

d) List of guarantees

Purpose of Guarantee	As at 31 March 2026				As at 31 March 2025			
	Subsidiaries	Associates	Joint venture	KMP and other related party	Subsidiaries	Associates	Joint venture	KMP and other related party
Corporate guarantee for securing banking lines	49	-	-	-	44	-	-	-

e) Remuneration to Key Managerial Personnel and Other Related Parties

	Year ended 31 March 2026	Year ended 31 March 2025
Salaries including bonus	143	104
Post employment and termination benefits*	10	8
Commission	8	7

*Provisions for contribution to gratuity, leave encashment and other defined benefit are determined by actuary on an overall Company basis at the end of each year and, accordingly, have not been considered in the above information.

All transactions with these related parties are in the ordinary course of business transactions with individual related parties are disclosed to the stock exchanges as per the SEBI(LODR) Regulation on half yearly basis.

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 2026, 31 March 2025:

(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					
2026	31 March 2026	3	-	-	3
2025	31 March 2025	2	-	-	2
ii) Liabilities measured at fair value:					
Financial guarantees					
2026	31 March 2026	-	-	-	-
2025	31 March 2025	-	-	-	-

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 2026 of ₹ 319 Millions (31 March 2025 ₹ 1,519 Millions) and of ₹ 601 Millions (31 March 2025 ₹ 816 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 2026 (31 March 2025: +/- 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 2026 and 31 March 2025. All other variables are held constant.

		As at 31 March 2026	As at 31 March 2025
Profit before tax			
Increase	+1%	6	8
Decrease	-1%	(6)	(8)
Equity before tax			
Increase	+1%	6	8
Decrease	-1%	(6)	(8)

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.

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..)

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:-

	Foreign currency exposure (in ₹ in Millions)	
	USD	EUR
31 March 2026		
Financial assets	14,580	826
Financial liabilities	2,625	801
31 March 2025		
Financial assets	8,143	299
Financial liabilities	2,540	1,316

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 2026 (31 March 2025: 1%).

If the ₹ had strengthened against the USD by 1% during the year ended 31 March 2026 (31 March 2025: 1%), and EUR by 1% during the year ended 31 March 2026 (31 March 2025: 1%) respectively then this would have had the following impact on profit before tax and equity before tax:

		As at 31 March 2026	As at 31 March 2025
Profit before tax			
USD	+1%	120	56
EUR	+1%	0	(10)
		120	46
Equity before tax			
USD	+1%	120	56
EUR	+1%	0	(10)
		120	46

If the ₹ had weakened against the USD by 1% during the year ended 31 March 2026 (31 March 2025: 1%) and EUR by 1% during the year ended 31 March 2026 (31 March 2025: 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, 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:

	As at 31 March 2026	As at 31 March 2025
Classes of financial assets		
Trade receivables	29,389	24,268
Cash and cash equivalents balances	6,490	6,142
Bank balances other than those mentioned in cash and cash equivalents	2,543	2,243
Other financial assets	717	762

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 2026, the Company had 26 (Previous year 2024-25 : 22) customers that owed the Company more than ₹ 300 Millions each and accounted for approximately 89% (Previous year 2024-25 : 91%) of all the receivables outstanding. As at 31 March 2026, 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 2026.

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 2026 and 31 March 2025.

As at 31 March 2026	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Borrowings	454	127	415	-
Trade payables	12,004	-	1,892	-
Other financial liabilities	351	-	25	-
	12,809	127	2,332	-

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 2025	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Borrowings	1,634	138	682	-
Trade payables	9,659	-	2,334	-
Other financial liabilities	323	-	19	-
	11,616	138	3,035	-

40. Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2026) and the date of authorisation (21 May 2026) other than those disclosed under respective notes.

41. Contingent liabilities, commitments and guarantees

a) Claims against the Company not acknowledged as debt

	As at 31 March 2026	As at 31 March 2025
Income tax demand including interest contested in appeal for various assessment years	193	66
Indirect tax matters under dispute including interest contested in appeal for various years	2,279	1,011

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

	As at 31 March 2026	As at 31 March 2025
Guarantees issued by the Company for:		
- subsidiaries	49	44

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	31 March 2026	31 March 2025	Change	Numerator	Denominator
a. Current Ratio	1.65	1.65	0.2%	Current assets	Current Liabilities
b. Debt-Equity Ratio*	0.04	0.13	(66.7%)	Total Debt (Long & Short term)	Shareholder's Equity
c. Debt Service Coverage Ratio [#]	11.19	7.17	56.0%	Earnings available for debt service	Debt Service
d. Return on Equity Ratio (ROE)	17.2%	16.5%	3.9%	Net Profits after taxes	Average Shareholder's Equity
e. Inventory turnover Ratio	18.47	18.61	(0.7%)	Sales	Average Inventory
f. Trade Receivables turnover Ratio	1.21	1.20	1.1%	Net Credit Sales	Average Accounts Receivable
g. Trade payables turnover Ratio	1.94	2.01	(3.2%)	Net Credit Purchases	Average Trade Payable
h. Net capital turnover Ratio	2.02	2.05	(16%)	Net Sales	Working Capital
i. Net profit Ratio	10.3%	9.5%	8.4%	Net Profit	Net Sales
j. Return on Capital employed (RoCE)	21.1%	19.1%	10.7%	Earning before interest and taxes	Capital Employed

* Due to considerable reduction in debt in current year as compared to previous year.

[#] Due to reduction in interest and increase in earnings

All investments are non current in nature and invested in group companies, 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 not entered into any 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 Registrar of Companies beyond the statutory period as at the end of the year.
- e. The Company has not traded or invested in Cryptocurrency or Virtual currency during the financial year ended 31 March 2026. (Previous Year :Nil)
- f. The Company is using IFS ERP (accounting software) for maintaining books of accounts. Audit trail was operational throughout the year and audit trial backup has been preserved as required under Act .
- g. "Effective November 21, 2025, the Government of India has consolidated multiple existing labour legislations into a unified framework comprising four Labour Codes collectively referred to as the 'New Labour Codes'. Under Indian Accounting Standard 19 "Employee Benefits", changes to employee benefit plans arising from legislative amendments constitute a plan amendment, requiring recognition of past service cost immediately in the statement of profit and loss. The New Labour Codes has resulted in estimated one time increase in provision for employee benefits of ₹ 47 Millions and the same has been recognized as an Exceptional Items in the statement of profit and loss account for the year ended 31 March 2026 . The Government of India is in the process of notifying related rules to the New Labour Codes and impact of these will be evaluated and accounted for in accordance with applicable accounting standards in the period in which they are notified"

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 Sharp & Tannan
Chartered Accountants
Firm's Registration No.: 003792S

P Rajesh Kumar
Partner
(Membership No.: 225366)

For and on behalf of the Board of Directors of
VA Tech Wabag Limited

Rajiv Mittal
Chairman & Managing Director
(DIN :01299110)

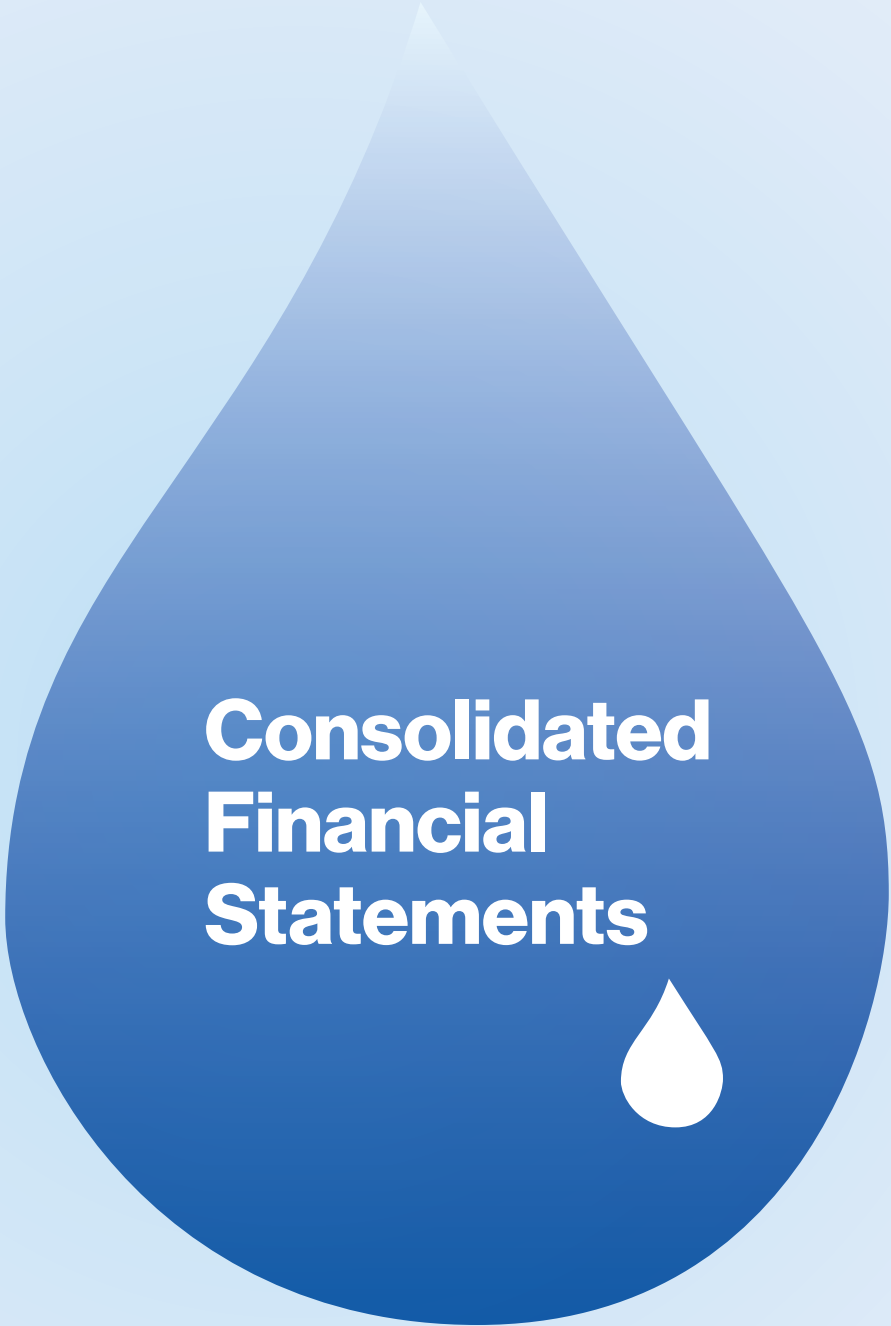
Skandaprasad Seetharaman
Chief Financial Officer

Milin Mehta
Director
(DIN : 01297508)

Anup Kumar Samal
Company Secretary
(Membership No:F4832)

Place : Chennai
Date : 21 May 2026

Place : Chennai
Date : 21 May 2026



Consolidated Financial Statements



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 2026, 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, its associates and its joint venture as at 31 March 2026, the consolidated profit and consolidated total comprehensive income, its consolidated cash flows and consolidated changes in equity for the year ended on that date.

Basis of opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing ("Standards") specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the consolidated financial statements section of our report.

We are independent of the Group, its associates and its joint venture 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.

#	Key audit matter description and principal audit procedures
1	Revenue recognition Refer Notes 31, 11 and 23 in the consolidated financial statements The Group recognises revenue and margin on the stage of completion based on the proportion of contract costs incurred including accruals relative to the estimated total costs of each contract (referred to as 'percentage of completion method'). The recognition of revenue and margin therefore relies on estimates in relation to the estimated total costs on each contract. Cost contingencies may also be included in these estimates to take account of specific uncertain risks arising within each contract. These cost estimates are reviewed by the Group on a regular basis during contract execution and adjusted where appropriate. There is significant judgement by the management of the Group in estimating the amount of revenue and margin to be recognised by the Group up to the balance sheet date and changes to these estimates could give rise to material variances and hence revenue recognition has been considered as a key audit matter. Our procedures include the following: - Evaluate and test key controls in the management processes in relation to recognition of revenue and margin including: - the preparation, review and authorisation of contract review sheets for contracts which contains 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

#	Key audit matter description and principal audit procedures
	- 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
2	Dues from customers (unbilled) and Trade receivables Refer Notes 3.1, 3.2, 3.3, 3.4, 7, 11 and 33 in the consolidated financial statements The Group measures revenue to be recognised based on the contract costs incurred till the reporting date over the total estimated costs for each contract. Such revenue recognised in excess of progress billing till the reporting date is presented as 'Dues from customers' which are yet to be billed to the customers. Such Dues from customers are accounted for based on the contractual terms and management's assessment of recoverability from customers. Management also assesses the recoverability of Trade receivables including those which have remained unsettled beyond the contractual credit period using judgement and past collection trends in similar contracts and customers. The management of the Group estimates and recognises allowance for expected credit losses on Trade receivables and Dues from customers which involves estimation of expected default and/or delay in the customer making payment over the duration of the contract and realisability of Dues from customers, considering the past trend and its assessment on the reporting date. The valuation of Dues from customers and Trade receivables involves significant management judgement and estimates as stated above, and hence it has been considered as a key audit matter. Our procedures include the following: - Evaluate management's processes and controls in respect of Dues from customers and Trade receivables for the following, - risk assessment pertaining to invoicing and recoverability - assessment of the probability of default and delay - assessment of the significant increases in credit risk, if any - Request confirmation of balances from customers having significant outstanding balances as at the reporting date - Review the project progress, invoicing and collection history of customers with significant Dues from customers or Trade receivables. Discuss with the project team to understand the management's assessment of risk associated with recoverability - Analyse the past trend and inquire into the reasonableness of expected credit loss allowance matrix developed by the management of the Group for estimating the allowance for Trade receivables - Consider the subsequent events and collections in assessing the recoverability of Dues from customers and Trade receivables - Consult legal counsel wherever necessary for legal disputes to assess the valuation of Trade receivables

Information other than the consolidated financial statements and auditor's report thereon

The Board of Directors of the Holding Company is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, management discussion and analysis, business responsibility 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 and joint venture 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, of its associates and of its joint venture are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, its associates and its joint venture 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, of its associates and of its joint venture are responsible for assessing the ability of the Group, of its associates and of its joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group, its associates and of its joint venture 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, of its associates and of its joint venture are responsible for overseeing the financial reporting process of the Group, its associates and its joint venture.

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 company and associate companies incorporated in India, have adequate internal financial controls with reference to consolidated financial statements system in place with reference to the financial statements and the operating effectiveness of such controls;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management of the Holding Company;
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its associates and its joint venture 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, its associates and its joint venture 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 eleven subsidiaries, whose financial information reflect total assets of Rs. 14,796 million and net assets of Rs. 5,767 million as at 31 March 2026, total revenues of Rs. 7,449 million, total net profit after tax of Rs. 442 million, total comprehensive income of Rs. 443 million and net cash inflows amounting to Rs. 498 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 income (net) of Rs. 13 million for the year ended 31 March 2026, in respect of 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 on the reports of such other auditors

Our opinion above on the consolidated financial statements and our report on other legal and regulatory requirements below, are not modified in respect of the above matters.

Report on other legal and regulatory requirements

1. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ("CARO 2020"), issued by the central government of India in terms of sub-section (11) of section 143 of the Act, to be included in the Auditor's report, according to the information and explanations given to us, based on the CARO reports issued by us and the auditors of the subsidiary and associate companies included in the consolidated financial statements, as provided to us by the management of the Holding Company, we report that there are no qualifications or adverse remarks by the respective auditors in the CARO reports of the said companies included in the consolidated financial statements except for the paragraph iii (e) of the CARO report of the Holding Company issued by us.
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(i) (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 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of subsidiary company and associate companies incorporated in India, none of the directors of the Holding Company, subsidiary company and associate companies incorporated in India are disqualified as on 31 March 2026 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 company and associate companies 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 company, and associate companies incorporated in India..
- iv. (a) the respective managements of the Holding Company, its subsidiary and associate companies 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 subsidiary and associate companies, 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 company and associate companies 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 subsidiary and associate companies 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 company and associate companies 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 company and associate companies 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 subsidiary / associate companies 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. a) the final dividend paid by the Holding Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Companies Act 2013 to the extent it applies to payment of dividend
- b) as stated in note 15 (d) to the financial statements, the Board of Directors of the Holding Company have proposed a final dividend for the year which is subject to approval of the members at the ensuing annual general meeting. The amount of dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- 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, 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, and the audit trail has been preserved by the Company and above referred subsidiary and associates, as per the statutory requirements for record retention, wherever the trail was enabled, except for one subsidiary and one associate where the audit trail was not preserved for the previous year. Also, refer to the note 48(g) of the consolidated financial statements.

for SHARP & TANNAN
Chartered Accountants
(Firm's Registration No. 003792S)

P. Rajesh Kumar
Partner

Place : Chennai
Date : 21 May 2026

Membership No. 225366
UDIN: 26225366AOFIIV4868

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 2026, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and associate companies 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 companies, 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 company, and associate companies 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 statement so 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 company and associate companies, 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 companies, 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 company and associate companies 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 2026, 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 company 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)

P. Rajesh Kumar
Partner

Place : Chennai
Date : 21 May 2026

Membership No. 225366
UDIN: 26225366AOFIIV4868

Consolidated Balance Sheet

as at 31 March 2026

(All amounts are in Millions of Indian Rupees, unless otherwise stated)

	Note	As at 31 March 2026	As at 31 March 2025
ASSETS			
Non-current assets			
Property, plant and equipment	5	632	636
Intangible assets	5	29	31
Investments accounted for using the equity method	6	669	650
Financial assets			
- Investments	6	52	44
- Trade receivables	7	6,481	5,951
- Other financial assets	8	1,716	1,932
Deferred tax assets (net)	9	390	337
Income tax assets (net)	10	369	283
		10,338	9,864
Current assets			
Inventories	12	358	358
Financial assets			
- Trade receivables	7	25,236	20,129
- Cash and cash equivalents	13	7,851	7,177
- Bank balances other than those mentioned in cash and cash equivalents	13	2,741	2,269
- Loans	14	220	120
- Other financial assets	8	531	372
Other current assets	11	13,949	12,384
		50,886	42,809
Total assets		61,224	52,673
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	125	124
Other equity			
- Securities premium		4,034	3,939
- Reserves and surplus		21,525	17,336
Share application money pending allotment		1	-
Equity attributable to owners of the Parent		25,685	21,399
Non-controlling interest		52	51
Total equity		25,737	21,450
Liabilities			
Non-current liabilities			
Financial liabilities			
- Borrowings	16	1,534	1,758
- Lease liabilities	34	23	28
- 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	1,892	2,274
- Other financial liabilities	18	25	19
Provisions	19	120	118
Other non-current liabilities	20	2,074	1,817
		5,668	6,014
Current liabilities			
Financial liabilities			
- Borrowings	16	721	1,815
- Lease liabilities	34	6	16
- Trade payables			
total outstanding dues of micro enterprises and small enterprises	17	714	111
total outstanding dues of creditors other than micro enterprises and small enterprises	17	11,908	10,347
- Other financial liabilities	18	356	327
Other current liabilities	20	13,342	10,972
Provisions	19	2,319	1,498
Current tax liabilities (net)	21	453	123
		29,819	25,209
Total liabilities		35,487	31,223
Total equity and liabilities		61,224	52,673

Notes 1 to 49 form an integral part of these consolidated financial statements

In terms of our report of even date attached

For Sharp & Tannan
Chartered Accountants
Firm's Registration No.: 003792S

P Rajesh Kumar
Partner
(Membership No.: 225366)

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

Milind Mehta
Director
(DIN : 01297508)

Anup Kumar Samal
Company Secretary
(Membership No.: F4832)

Place: Chennai
Date : 21 May 2026

Place: Chennai
Date : 21 May 2026

Consolidated Statement of Profit and Loss

for the year ended 31 March 2026

(All amounts are in Millions of Indian Rupees, unless otherwise stated)

	Note	Year ended 31 March 2026	Year ended 31 March 2025
Income			
Revenue from operations	23	39,442	32,940
Foreign Exchange Gains	24	467	79
Other income	24	476	367
Total income		40,385	33,386
Expenses			
Cost of sales and services	25	30,006	25,598
Changes in inventories	26	32	7
Employee benefits expense	27	3,004	2,645
Finance costs	28	729	788
Depreciation and amortization expense	29	62	59
Other expenses	30	1,626	467
Total expenses		35,459	29,564
Profit before share of net profits of investments accounted for using equity method and tax		4,926	3,822
Share of profit of associates and a joint venture, net		7	22
Profit before exceptional items and tax		4,933	3,844
Exceptional items	48	(47)	-
Profit before tax		4,886	3,844
Tax expense	31		
Current tax		1,241	781
Deferred tax		(53)	115
Profit for the year		3,698	2,948
Profit for the year attributable to:			
Owners of the parent		3,705	2,953
Non-controlling interests		(7)	(5)
		3,698	2,948
Other comprehensive income			
Items that will not be reclassified to profit and loss			
- Re-measurement gains on defined benefit plans		(17)	(7)
- Exchange differences on translation of foreign operations		-	-
- Income tax relating to items that will not be reclassified to profit and loss		5	2
		(12)	(5)
Items that will be reclassified subsequently to profit and loss			
- Exchange differences on translation of foreign operations		688	170
		688	170
Other comprehensive income for the year, net of tax		676	165
Total comprehensive income for the year		4,374	3,113
Other comprehensive income for the year, net of tax attributable to:			
Owners of the parent		668	162
Non-controlling interests		8	3
		676	165
Total comprehensive income for the year attributable to:			
Owners of the parent		4,373	3,115
Non-controlling interests		1	(2)
		4,374	3,113
Earnings per equity share	32		
Basic (in ₹)		59.51	47.48
Diluted (in ₹)		58.72	46.80

Notes 1 to 49 form an integral part of these consolidated financial statements

In terms of our report of even date attached

For Sharp & Tannan
Chartered Accountants
Firm's Registration No.: 003792S

P Rajesh Kumar
Partner
(Membership No.: 225366)

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

Milin Mehta
Director
(DIN : 01297508)

Anup Kumar Samal
Company Secretary
(Membership No.F4832)

Place : Chennai
Date : 21 May 2026

Place : Chennai
Date : 21 May 2026

Consolidated Statement of Cash Flows

for the year ended 31 March 2026

(All amounts are in Millions of Indian Rupees, unless otherwise stated)

	Year ended 31 March 2026	Year ended 31 March 2025
A. Cash flow from operating activities		
Profit before tax and exceptional items	4,933	3,844
Exceptional items	(47)	-
Profit before tax	4,886	3,844
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization expense	62	59
Share of (gain)/loss from associates and joint venture, net	(7)	(22)
Unrealized foreign exchange (gain)/loss	(419)	(18)
Bad and doubtful debts, net	884	(197)
Unclaimed credit balances	(147)	(46)
Loss/(Gain) on sale of property, plant and equipment, net	1	(2)
(Gain) on sale/liquidation of investment in subsidiary/joint venture	-	(80)
Expense on Employee Stock Option Plan (ESOP)	101	166
Interest expenses on lease liabilities	0	1
Interest expenses	230	333
Interest and Dividend income	(476)	(285)
(Reversal)/Provision for foreseeable losses on contracts	(4)	(8)
Provision for compensated absences and gratuity	59	57
Provision for liquidated damages	-	53
Provision for warranty	744	438
Operating profit before working capital changes	5,914	4,293
Changes in working capital		
(Increase) in trade receivables	(5,809)	(565)
Decrease in other financial assets	57	81
(Increase) in other assets	(1,565)	(1,963)
Decrease in inventories	-	1
Increase in trade payables	1,778	1,126
Increase in other financial liabilities	32	16
Increase in other liabilities	2,633	1,586
Increase/(Decrease) in provisions	24	(206)
Cash generated from operating activities	3,064	4,369
Direct taxes paid, net	(997)	(817)
Net cash generated from operating activities (a)	2,067	3,552
B. Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(52)	(45)
Proceeds from sale of property, plant and equipment and intangible assets	3	5
Proceeds from sale of investment in subsidiary	-	108
Purchase of investments including current investments, net	(20)	-
(Issue)/Repayment of loans to inter company, net	(100)	-
Dividend received	13	23
Interest received	453	216
Net movement in bank deposits	(501)	(1,517)
Net cash (used in) investing activities (b)	(204)	(1,210)

Consolidated Statement of Cash Flows

for the year ended 31 March 2026

(All amounts are in Millions of Indian Rupees, unless otherwise stated)

	Year ended 31 March 2026	Year ended 31 March 2025
C. Cash flow from financing activities		
(Repayment) of long term borrowings	(223)	(94)
(Repayment)/ Proceeds of short term borrowings, net	(1,198)	808
Proceeds from issue of equity shares including securities premium	63	-
Recognition of lease liabilities	(15)	(40)
Interest paid on lease liabilities	(0)	(1)
Interest paid	(227)	(333)
Dividend paid	(249)	-
Net cash (used in)/ generated from financing activities (c)	(1,849)	340
D. Net change in cash and cash equivalents (a+b+c)	14	2,682
Effects of foreign currency translation	660	96
E. Cash and cash equivalents at the beginning of the year	7,177	4,399
F. Cash and cash equivalents in Cash Flow Statement at the end of the year	7,851	7,177
Cash and cash equivalents at the end of the year include		
Cash on hand	14	55
Cheques on hand	1,666	2,640
Balances with banks		
- in current accounts	1,762	1,823
- in deposit account (with original maturity upto 3 months)	4,409	2,659
Cash and cash equivalents as per note 13	7,851	7,177
Cash and cash equivalents in Cash Flow Statement	7,851	7,177

Notes 1 to 49 form an integral part of these consolidated financial statements

In terms of our report of even date attached

For Sharp & Tannan
Chartered Accountants
Firm's Registration No.: 003792S

P Rajesh Kumar
Partner
(Membership No.: 225366)

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

Milin Mehta
Director
(DIN : 01297508)

Anup Kumar Samal
Company Secretary
(Membership No.: F4832)

Place : Chennai
Date : 21 May 2026

Place : Chennai
Date : 21 May 2026

Consolidated Statement of Changes in Equity

for the year ended 31 March 2026

(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 2024		124
Issued during the period		-
Balance as at 01 April 2025	15	124
Issued during the period		0
Balance as at 31 March 2026		125

B. Other equity

Particulars	Notes	Attributable to the equity holders of the Parent										Total attributable to the equity holders of the Parent	Non-controlling interest	Total equity
		Reserves and surplus							Securities premium	Share application money pending allotment				
		Capital reserve	Stock Option Outstanding account	General reserve	Surplus in the statement of profit and loss	Legal reserve	Foreign currency translation reserve	Accumulated other comprehensive income			Total reserves and surplus			
Balance as at 01 April 2024		1,541	-	334	11,537	7	769	(64)	14,123	3,939	-	18,062	53	18,115
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution tax		-	-	-	-	-	-	-	-	-	-	-	-	-
Transactions with owners/ Non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year		-	-	-	2,953	-	-	-	2,953	-	-	2,953	(5)	2,948
ESOP benefit created during the year		-	166	-	-	-	-	-	166	-	-	166	-	166
Effects of sale of subsidiary	(23)	-	-	-	(45)	-	68	-	0	-	-	0	-	0
Other comprehensive income (net of tax)	-	-	-	-	(3)	-	102	(5)	94	-	-	94	3	97
Total comprehensive income		(23)	166	-	2,905	-	170	(5)	3,213	-	-	3,213	(2)	3,211
Balance as at 31 March 2025		1,518	166	334	14,442	7	939	(69)	17,336	3,939	-	21,275	51	21,326
Balance as at 01 April 2025		1,518	166	334	14,442	7	939	(69)	17,336	3,939	-	21,275	51	21,326
Dividends		-	-	-	(249)	-	-	-	(249)	-	-	(249)	-	(249)
Dividend distribution tax		-	-	-	-	-	-	-	-	-	-	-	-	-
Issue of share capital on exercise of employee share option		-	(34)	-	-	-	-	-	(34)	95	-	61	-	61

Consolidated Statement of Changes in Equity

for the year ended 31 March 2026

(All amounts are in Millions of Indian Rupees, unless otherwise stated)

Particulars	Notes	Attributable to the equity holders of the Parent								Total equity			
		Reserves and surplus						Securities premium	Share application money pending allotment				
		Capital reserve	Stock Option Outstanding account	General reserve	Surplus in the statement of profit and loss	Legal reserve	Foreign currency translation reserve				Accumulated other comprehensive income	Total reserves and surplus	
Share application money received		-	-	-	-	-	-	-	-	62	-	62	62
Equity shares allotted		-	-	-	-	-	-	-	-	(61)	-	(61)	(61)
Transactions with owners/ Non-controlling interests		-	(34)	-	(249)	-	-	-	(283)	1	-	(187)	(187)
Profit for the year		-	-	-	3,705	-	-	-	3,705	-	(7)	3,698	3,698
ESOP benefit created during the year		-	101	-	-	-	-	-	101	-	-	101	101
Other comprehensive income (net of tax)		-	-	-	-	-	678	(12)	666	-	8	674	674
Total comprehensive income		-	101	-	3,705	-	678	(12)	4,472	-	1	4,472	4,473
Balance as at 31 March 2026		1,518	233	334	17,898	7	1,617	(81)	21,525	1	52	25,560	25,612

Notes 1 to 49 form an integral part of these consolidated financial statements

In terms of our report of even date attached

For Sharp & Tannan
Chartered Accountants
Firm's Registration No.: 003792S

P Rajesh Kumar
Partner
(Membership No.: 225366)

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

Millin Mehta
Director
(DIN : 01297508)

Anup Kumar Samal
Company Secretary
(Membership No.F4832)

Place : Chennai
Date : 21 May 2026

Place : Chennai
Date : 21 May 2026

Summary of Material Accounting Policies and other Accounting Policies

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 (BSE) and National Stock Exchange (NSE). The Parent is domiciled in India and its registered office and its principal place of business is 'WABAG HOUSE', No.17, 200 Feet Thoraipakkam - Pallavaram Main Road, Sunnambu Kolathur, Chennai - 600 117.

2. Basis of preparation of Consolidated financial statements

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 2026 are approved and authorized for issue by the Board of Directors on 21 May 2026.

The consolidated financial statements of the Group are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on an accrual basis except for certain financial assets and financial liabilities that have been measured at fair value. The Parent's functional currency is Indian Rupees. These consolidated financial statements are presented in millions of Indian Rupees, 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

During the year ended 31 March 2026, Ministry of Corporate Affairs ("MCA") has not notified any new standards or amendments to the existing standards applicable to the company.

Basis of consolidation

The consolidated financial statements include the financial statements of the Parent and all of its subsidiaries, associates and joint ventures as listed below. The financial statements of the subsidiaries, associates, joint ventures forming part of these consolidated financial statements are drawn up to 31 March 2026. All material inter-company transactions and balances are eliminated on consolidation. The following subsidiaries, associates, joint ventures have been included in the consolidated financial statements:

Summary of Material Accounting Policies and other Accounting Policies

Particulars	Country of incorporation	Percentage of holding/interest as at	
		31 March 2026	31 March 2025
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 ⁽⁴⁾	Nepal	100	100
Wabag Muhibbah JV SDN BHD	Malaysia	70	70
VA Tech Wabag GmbH	Austria	100	100
VA Tech Wabag Deutschland GmbH	Germany	100	100
Wabag Water Services s.r.l ⁽⁵⁾	Romania	-	-
VA Tech Wabag Tunisie s.a.r.l.	Tunisia	100	100
VA Tech Wabag Su Teknoloji 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
Ghazaibad Water Solutions Private Limited ⁽²⁾	India	100	100
Associates			
Windhoek Goreangab Operating Company (Pty) Limited	Namibia	33	33
Ganga STP Project Private Limited ⁽³⁾	India	26	26
DK Sewage Project Private Limited ⁽¹⁾	India	49.8	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
Joint Ventures			
Ghaziabad Bioenergy Private Limited ⁽⁶⁾	India	50	

⁽¹⁾ 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 Numen Growth Partners Private Limited (formerly known as Madhya Pradesh Waste Management Private Limited) on 29 March 2024 for subscription of the Company's Securities. Debenture application money of INR 153.00 million was received. Pursuant to this agreement, the control has been transferred to Numen Growth Partners Private Limited (formerly known as Madhya Pradesh Waste Management Private Limited) as on 29 March 2024 hence the entity been treated as associate, instead of subsidiary as on reporting date.

⁽²⁾ Ghazaibad Water Solutions Private Limited was incorporated on 30 April 2020 as a project specific entity.

⁽³⁾ Ganga STP Project Private Limited has been incorporated on 05 April 2019 as a project specific entity.

⁽⁴⁾ 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.

⁽⁵⁾ Wabag Water Services s.r.l in Romania, 100% stake has been sold on 08 July 2024, hence deconsolidation been done with effective from 30 June 2024.

⁽⁶⁾ Ghaziabad Bioenergy Private Limited (GBPL) was incorporated on 16 February 2026 as project specific entity. The Parent has entered into Share Holder's Agreement (SHA) with Peak Sustainability Partners LLP (PEAK) on 09 April 2026 for subscription of the Company's Securities, pursuant to which the Parent and PEAK will own economic interest of 50% each in GBPL and exercise joint control, thereby classifying GBPL as joint venture as on reporting date.

Summary of Material Accounting Policies and other Accounting Policies

Pursuant to exclusive contractual arrangements providing for a majority share in the economic interests and control of voting power differently to the shareholders in each of the projects, i.e. Project –I, Project- II and Project-III are being executed under the same legal entity VA Tech Wabag and Roots Contracting LLC. These projects have been treated as separate enterprises with varying controlling interests and accordingly Project-I is consolidated for as a subsidiary and Project-II and Project-III are consolidated for as an associate.

The Group had entered into a joint venture with Belhasa Projects LLC, Dubai to execute a project in Bahrain. Considering the fact that the group has control over the governing body and over the operating and financial decisions of the joint venture entity, Wabag Belhasa JV, the same has been treated as a subsidiary in the consolidated financial statements.

Principles of consolidation

The consolidated financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down under Ind AS 110 - Consolidated Financial Statements, Ind AS 28 - Accounting for Investments in Associates and Joint Ventures and accounting standards as specified in the Ind ASs notified by the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Group combines the financial statements of the Parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses resulting from intra-group transactions are also eliminated except to the extent recoverable value of related assets is lower than their cost to the Group. Profit or loss of subsidiaries acquired or disposed during the year is recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted.

Subsidiaries are all entities over which the Group exercises control. The Group controls an entity when the Group is exposed to or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct relevant activities of the entity. Subsidiaries are fully consolidated from the date on which the control is transferred to the Group and are deconsolidated from the date the control ceases.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss and consolidated balance sheet respectively. Non-controlling interests in net profits/losses of consolidated subsidiaries for the year is identified and adjusted against the income in order to arrive at the net income attributable to the owners of the Parent. Their share of net assets is identified and presented in the consolidated balance sheet separately. Where accumulated losses attributable to the minorities are in excess of their equity, in the absence of the contractual/legal obligation on the minorities, the same is accounted for by the Parent, except where there is a contractual/legal obligation on minority interests.

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Interests in joint venture are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint venture are recognised as a reduction in the carrying amount of the investment. After the investor's interest is reduced to zero, additional losses are provided for, and a liability is recognised, only to the extent that the investor has incurred legal or constructive obligations or made payments on behalf of the investee. If the investee subsequently reports profits, the investor resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised. 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.

Summary of Material Accounting Policies and other Accounting Policies

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.

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.

Summary of Material Accounting Policies and other Accounting Policies

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.

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 amount due from the customer is classified and presented under Trade receivables and Due from customer for construction contract works. Trade receivables represents progress billings raised to the customers as per the contractual milestones and remaining uncollected as of the reporting date. Due from customers for construction contract works represents costs incurred plus recognized profits (less recognized losses) in excess of progress billing for all contracts in progress.

Summary of Material Accounting Policies and other Accounting Policies

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 also measures 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.

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.

Expenses which by the nature fall under other expenses to the extent exclusively pertaining to project/operations have been included in the cost of sales and services for appropriate presentation.

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

Unbilled payables under other current liabilities includes costs incurred representing progress of work done, on the reporting date, pending invoicing by the suppliers

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

Summary of Material Accounting Policies and other Accounting Policies

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.

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

Summary of Material Accounting Policies and other Accounting Policies

4.4.1 Freehold Land

Freehold 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.

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.

Softwares are stated at cost less accumulated amortization and are being amortized on a straight line basis over the estimated useful life of 5 years.

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 is 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.

Summary of Material Accounting Policies and other Accounting Policies

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.

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.

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 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.

Summary of Material Accounting Policies and other Accounting Policies

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 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.

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:

Summary of Material Accounting Policies and other Accounting Policies

- 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.

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

Summary of Material Accounting Policies and other Accounting Policies

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.
- 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.

Summary of Material Accounting Policies and other Accounting Policies

- 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.

Overseas entities

Defined contribution

Summary of Material Accounting Policies and other Accounting Policies

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 "Wabag Centenary Stock Option Scheme 2023" of the Company.

The fair value of options granted under the scheme is recognised as an employee benefit expenses with 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 specific 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

Summary of Material Accounting Policies and other Accounting Policies

(consolidation of shares). For the purpose of calculating diluted earnings per equity share, the net profit or loss for the period attributable to the owners of the parent and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

4.17 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

Summary of Material Accounting Policies and other Accounting Policies

Information about estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below. Actual results may be substantially different.

Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Inventories

The Group estimates the net 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.

(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	Computer software	Total
Gross carrying value												
Balance as at 01 April 2024	170	403	27	181	57	50	37	50	215	1,190	112	112
Additions	-	-	-	-	1	3	15	27	-	45	0	0
Disposals	-	-	5	5	1	4	5	60	91	171	9	9
Effects of foreign currency translation	-	-	1	1	-	-	-	1	1	4	-	-
Balance as at 31 March 2025	170	403	23	177	57	49	47	18	125	1,068	103	103
Balance as at 01 April 2025	170	403	23	177	57	49	47	18	125	1,068	103	103
Additions	-	-	0	4	1	6	19	21	-	51	1	1
Disposals	-	-	-	-	-	-	0	6	23	29	-	-
Effects of foreign currency translation	-	0	-	-	-	1	-	1	5	7	-	-
Balance as at 31 March 2026	170	403	23	181	58	56	66	34	107	1,097	104	104
Accumulated depreciation/ amortization												
Balance as at 01 April 2024	-	60	2	178	55	38	19	35	114	501	76	76
Depreciation/amortization expense for the year	-	7	3	2	1	3	8	11	19	54	5	5
Reversal on disposal of assets	-	-	5	5	1	4	5	32	73	125	9	9
Effects of foreign currency translation	-	-	0	-	-	0	-	1	1	2	-	-
Balance as at 31 March 2025	-	67	0	175	55	37	22	15	61	432	72	72
Balance as at 01 April 2025	-	67	0	175	55	37	22	15	61	432	72	72
Depreciation/amortization expense for the year	-	7	3	2	1	2	13	15	15	58	4	4
Reversal on disposal of assets	-	-	-	-	-	-	0	4	21	25	-	-
Effects of foreign currency translation	-	0	-	-	-	1	(6)	1	4	0	(1)	(1)
Balance as at 31 March 2026	-	74	3	177	56	40	29	27	59	465	75	75
Net carrying value												
Balance as at 31 March 2025	170	336	23	2	2	12	25	3	64	636	31	31
Balance as at 31 March 2026	170	329	20	4	2	16	37	7	48	632	29	29

⁽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

	As at 31 March 2026	As at 31 March 2025
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)	48	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	16
DK Sewage Project Private Limited (3,589,999 (Previous year: 3,589,999) equity shares of ₹ 10 each)	310	320
(Nil (Previous year: 19,080,000) 8% Non convertible debentures of ₹ 10 each)		
(25,910,000 (Previous year: 4,650,000) 8% Compulsory convertible debentures of ₹ 10 each)		
Ganga STP Project Private Limited (50,999 (Previous year: 50,999) equity shares of ₹ 10 each)	293	276
(9,699,000 (Previous year: 9,699,000) Compulsory convertible preference shares of ₹ 10 each)		
(8,515,000 (Previous year: 8,515,000) 9% Non convertible debentures of ₹ 10 each)		
Ghaziabad Bioenergy Private Limited ⁽²⁾ (5,100 (Previous Year: Nil) equity shares of ₹ 10 each)	0	-
	669	650
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 ⁽³⁾ (5,000 (Previous year : 5,000) equity shares of ₹ 10 each)	0	0
Aurangabad City Water Utility Company Limited ⁽⁴⁾ (5,000 (Previous year : 5,000) equity shares of ₹ 10 each)	0	0
Ganapati Marine Enterprises Private Limited ⁽⁵⁾ (Nil (Previous Year: 813) equity shares of ₹ 10 each)	-	-
Kopri Bio Engineering Private Limited ⁽⁶⁾ (5,100 (Previous year: 5,100) equity shares of ₹ 10 each)	0	0
Mandothari Apparels private limited (5,000 (Previous Year: Nil) equity shares of ₹ 100 each)	1	-
Ujams Wastewater Treatment Company (Pty) Ltd. (84 (Previous Year: 84) equity shares of NAD 1 each)	49	42
	52	44
Total non-current investments	721	694
Aggregate amount of unquoted investments	721	694
Aggregate amount of impairment in the value of investments	-	-
Extent of investment in those accounted for using the equity method ⁽⁷⁾		
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%
Ghaziabad Bioenergy Private Limited ⁽²⁾	51.0%	-
Ganga STP Project Private Limited	26.0%	26.0%
DK Sewage Project Private Limited	49.8%	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.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

6. Investments (Contd..)

- (2) Since the amount of investment is ₹ 51,000 (31 March 2025 : ₹ Nil), the same is below the rounding off norm adopted by the Group.
Ghaziabad Bioenergy Private Limited (GBPL) was incorporated on 16 February 2026 as project specific entity. The Parent has entered into Share Holder's Agreement (SHA) with Peak Sustainability Partners LLP (PEAK) on 09 April 2026 for subscription of the Company's Securities, pursuant to which the Parent and PEAK will own economic interest of 50% each in GBPL and exercise joint control, thereby classifying GBPL as joint venture as on reporting date.
- (3) Since the amount of investment is ₹ 50,000 (31 March 2025 : ₹ 50,000), the same is below the rounding off norm adopted by the Group.
- (4) Since the amount of investment is ₹ 50,000 (31 March 2025 : ₹ 50,000), the same is below the rounding off norm adopted by the Group.
- (5) Since the amount of investment is ₹ Nil (31 March 2025 : ₹ 8,130), the same is below the rounding off norm adopted by the Group.
- (6) Since the amount of investment is ₹ 51,000 (31 March 2025 : ₹ 51,000), the same is below the rounding off norm adopted by the Group.
- (7) Also refer note 44- Interest in other entities.
- The term loans availed in the Special Purpose Vehicles ('SPVs'), namely Ganga STP Project Private Limited, DK Sewage Project Private Limited, and Ghaziabad Water Solutions Private Limited, for projects being implemented under the Design, Build, Finance, Operate, and Transfer ('DBFOT') model are secured by way of a charge over the assets, securities of the respective SPVs (investments in securities held by the Parent Company in these SPVs), in accordance with the provisions set out in the relevant financing agreements.

7. Trade receivables (Unsecured considered good, unless stated otherwise)

	As at 31 March 2026		As at 31 March 2025	
	Non-current	Current	Non-current	Current
Trade receivables	-	24,388	-	19,596
Customer retention	6,481	848	5,951	533
	6,481	25,236	5,951	20,129
Credit impaired				
- Trade receivables and customer retention	-	1,033	-	569
Less : Allowances for expected credit loss				
- Trade receivables and customer retention	-	(1,033)	-	(569)
	-	-	-	-
	6,481	25,236	5,951	20,129

Ageing for trade receivables - billed – non current outstanding as at 31 March 2026 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	5,871	-	-	-	-	-	5,871
ii) Undisputed Trade receivables-Which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables-Credit Impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables considered good	610	-	-	-	-	-	610
v) Disputed Trade receivables-Which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables-Credit Impaired	-	-	-	-	-	-	-
Total	6,481	-	-	-	-	-	6,481
Less: Allowance for expected credit loss							-
Trade Receivables - Non Current							6,481

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 – non current outstanding as at 31 March 2025 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	5,008	18	-	-	-	-	5,026
ii) Undisputed Trade receivables-Which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables-Credit Impaired	-	-	-	-	-	-	-
iv) Disputed Trade receivables considered good	925	-	-	-	-	-	925
v) Disputed Trade receivables-Which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables-Credit Impaired	-	-	-	-	-	-	-
Total	5,933	18	-	-	-	-	5,951
Less: Allowance for expected credit loss							-
Trade Receivables - Non Current							5,951

Ageing for trade receivables - billed – current outstanding as at 31 March 2026 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	10,524	6,798	3,322	2,025	810	1,751	25,230
ii) Undisputed Trade receivables-Which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables-Credit Impaired	-	-	163	198	180	445	986
iv) Disputed Trade receivables considered good	-	-	-	-	-	6	6
v) Disputed Trade receivables-Which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables-Credit Impaired	-	-	-	-	-	47	47
Total	10,524	6,798	3,485	2,223	990	2,249	26,269
Less: Allowance for expected credit loss							(1,033)
Trade Receivables - Current							25,236

Ageing for trade receivables - billed – current outstanding as at 31 March 2025 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	9,010	3,428	3,568	2,171	1,595	323	20,095
ii) Undisputed Trade receivables-Which have significant increase in credit risk	-	-	-	-	-	-	-
iii) Undisputed Trade receivables-Credit Impaired	-	-	174	113	161	109	557
iv) Disputed Trade receivables considered good	-	-	-	-	16	18	34
v) Disputed Trade receivables-Which have significant increase in credit risk	-	-	-	-	-	-	-
vi) Disputed Trade receivables-Credit Impaired	-	-	-	-	-	12	12
Total	9,010	3,428	3,742	2,284	1,772	462	20,698
Less: Allowance for expected credit loss							(569)
Trade Receivables - Current							20,129

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

7. Trade receivables (Contd..)

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 ₹ 573 Millions (31 March 2025: ₹ 748 Millions). There are no receivables due from directors or other officers.

All of the Group's trade receivables and customer retentions have been reviewed for indicators of impairment. Certain trade receivables were found to be impaired and an allowance for credit losses of ₹ 464 Millions (Year ended 31 March 2025: ₹ (864) 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.

Movements in allowances for expected credit loss

	Year ended 31 March 2026	Year ended 31 March 2025
Balance at the beginning of the year	569	1,433
Created/ (Utilised) during the year, net	464	(864)
Balance at the end of the year	1,033	569

8. Other financial assets

(Unsecured, considered good)

	As at 31 March 2026		As at 31 March 2025	
	Non-current	Current	Non-current	Current
Security deposits	354	51	315	134
Bank balances*	-	-	16	-
Tender deposits	-	147	-	81
Rental deposits	-	41	0	38
Advances to employees	3	11	3	12
Receivables under Service Concession Arrangements	-	135	-	74
Dues from customers for construction contract works under Service Concession Arrangements	1,359	105	1,598	13
Other financial assets	-	41	-	20
	1,716	531	1,932	372

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.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

9. Deferred taxes (net)

	As at 31 March 2026	As at 31 March 2025
The breakup of deferred taxes is as follows:		
Deferred tax asset arising on account of :		
- Provision for employee benefits, liquidated damages and foreseeable losses	13	17
- Allowances for expected credit loss	272	206
- Others	146	152
Total deferred tax asset A	431	375
Less: Deferred tax liability arising on account of :		
- Carrying value of Property, plant and equipment/Intangible assets as per books and tax laws	41	38
- Others	-	0
Total deferred tax liability B	41	38
Foreign exchange fluctuation C	(0)	(0)
(A-B-C)	390	337
Disclosed as		
Deferred tax assets	390	337

Deferred tax recognized in statement of profit and loss and other comprehensive income for the year ended 31 March 2026:

	Recognized in other comprehensive income	Recognized in statement of profit and loss
Deferred tax asset arising on account of :		
- Provision for employee benefits, liquidated damages and foreseeable losses	-	4
- Allowances for expected credit loss	-	(66)
- Others	-	6
Deferred tax liability arising on account of :		
- Carrying value of Property, plant and equipment/Intangible assets as per books and tax laws	-	3
- Others	-	-
Foreign exchange fluctuation	-	-
Total	-	(53)

Deferred tax recognized in statement of profit and loss and other comprehensive income for the year ended 31 March 2025:

	Recognized in other comprehensive income	Recognized in statement of profit and loss
Deferred tax asset arising on account of :		
- Provision for employee benefits, liquidated damages and foreseeable losses	-	10
- Allowances for expected credit loss	-	129
- Others	-	29
Deferred tax liability arising on account of :		
- Carrying value of Property, plant and equipment/Intangible assets as per books and tax laws	-	(1)
- Others	-	(55)
Foreign exchange fluctuation	-	-
Derecognition of deferred tax liabilities, net on account of disinvestment of subsidiary	-	3
Total	-	115

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

9. Deferred taxes (net) (Contd..)

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.

10. Income tax assets (net)

	As at 31 March 2026	As at 31 March 2025
Income tax assets net of provision for tax	369	283
	369	283

11. Other assets (Unsecured, considered good)

	As at 31 March 2026		As at 31 March 2025	
	Non-current	Current	Non-current	Current
Dues from customers for construction contract works*	-	11,836	-	10,330
Advances to supplier	-	907	-	1,064
Balances with government authorities	-	979	-	767
Prepaid expenses	-	212	-	207
Other assets	-	15	-	16
	-	13,949	-	12,384

* Includes allowance for expected credit loss amounting to ₹ 1,047 Millions (31 March 2025: ₹ 764 Millions) There are no advances due from directors or other officers of the company.

12. Inventories

	As at 31 March 2026	As at 31 March 2025
Contract inventories	217	207
Stores and spares	141	151
	358	358

13. Cash and bank balances

	As at 31 March 2026	As at 31 March 2025
Cash and cash equivalents		
Cash on hand	14	55
Cheques on hand	1,666	2,640
Balances with banks		
- in current accounts *#	1,762	1,823
- in deposit account (with original maturity upto 3 months) *#	4,409	2,659
	(A) 7,851	7,177

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

13. Cash and bank balances (Contd..)

	As at 31 March 2026	As at 31 March 2025
Bank balances other than those mentioned in cash and cash equivalents		
Unpaid dividend account	0	0
Deposits with maturity less than 3 months #	1,368	635
Deposits with maturity more than 3 months but less than 12 months #	1,333	1,608
Balances with bank held as margin money #	40	26
(B)	2,741	2,269
(A+B)	10,592	9,446

* Restricted bank balances: Balances with banks include ₹ 202 Millions (31 March 2025: ₹ 292 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 ₹ 1,015 Millions (31 March 2025: ₹ 858 Millions) held as margin money / in escrow account or security against the borrowings, guarantees and other commitments.

14. Loans(Unsecured, considered good)

	As at 31 March 2026	As at 31 March 2025
Loans to related parties (Also refer note 38(c))	220	120
	220	120

15. Equity share capital

	As at 31 March 2026		As at 31 March 2025	
	Number	Amount	Number	Amount
Authorised				
Equity shares of ₹ 2 each	75,000,000	150	75,000,000	150
Issued, subscribed and fully paid up				
Equity shares of ₹ 2 each	62,309,595	125	62,190,428	124
	62,309,595	125	62,190,428	124

a) Reconciliation of share capital (Equity)

	As at 31 March 2026		As at 31 March 2025	
	Number	Amount	Number	Amount
Balance at the beginning of the year	62,190,428	124	62,190,428	124
Add : Changes in Equity Share Capital during the year	119,167	0	-	-
Balance at the end of the year	62,309,595	125	62,190,428	124

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

15. Equity share capital (Contd..)

b) Shareholders holding more than 5% of the aggregate shares in the Parent

	As at 31 March 2026		As at 31 March 2025	
	Number	% holding	Number	% holding
Equity shares of ₹ 2 each				
Mr. Rajiv Mittal	9,709,406	15.6%	9,709,406	15.6%
Ms. Rekha Rakesh Jhunjunwala	5,000,000	8.0%	5,000,000	8.0%
	14,709,406	23.6%	14,709,406	23.6%

c) Shares held by promoters of the Parent

	As at 31 March 2026		As at 31 March 2025	
	Number	% holding	Number	% holding
Mr. Rajiv Mittal	9,709,406	15.6%	9,709,406	15.6%
Mr. S Varadarajan	2,185,762	3.5%	2,185,762	3.5%
	11,895,168	19.1%	11,895,168	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. In the Board meeting held on 21 May 2026, the dividend proposed by the Board of Directors of the Parent at ₹ 5 per equity share, which is subject to the approval of the shareholders in the ensuing Annual General Meeting. This amount has not been recorded as a liability for the year ended 31 March 2026. 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 2026.

f) Dividends

During the year ended 31 March 2026, the Parent paid the final dividend of ₹ 4 per equity share for the year ended 31 March 2025 amounting to ₹ 249 Millions.

g) Shares reserved for issue under options of the Parent

i) Terms and details of the ESOP scheme:

The Parent has granted ESOP Series "Wabag Centenary Stock Option Scheme 2023", 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	2,500,000
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

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

15. Equity share capital (Contd..)

Particulars	Scheme details
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	1,500,000 (Grant Date : 21 March 2024) ₹ 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-Scholes Options Pricing Model, The following assumptions were used for calculation of fair value of options granted. Risk free interest rate 6.97% Expected life of option 2.5 Expected volatility 37.18% Share price ₹ 682.8
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
n. Weighted average equity share price during the exercise period	Not applicable
o. Expenses on Employee Stock Option Scheme debited to the Statement of Profit and Loss	During the year ₹ 101 Million

ii) Options movement during the year

Particulars	No of stock options
Number of options outstanding at the beginning of the period	1,389,940
Number of options granted during the year	Nil
Number of options allotted during the year	119,167
Number of options lapsed during the year	60,000
Number of options outstanding at the end of the period	1,210,773
Money realized by exercise of options (₹), as scheme is implemented directly by the Parent	61,132,671

h) 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.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

15. Equity share capital (Contd..)

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:

		As at 31 March 2026	As at 31 March 2025
Borrowings		2,255	3,573
Less: Cash and bank balances		(10,592)	(9,462)
Net Debt / (Cash)	(A)	(8,337)	(5,889)
Total equity	(B)	25,737	21,450
Total equity and net debt	(C=A+B)	17,400	15,561
Gearing ratio	(A/C)	(47.9%)	(37.8%)

16. Borrowings

	As at 31 March 2026		As at 31 March 2025	
	Non-current	Current	Non-current	Current
Secured				
Debentures	379	-	594	-
Term loans from others	1,155	-	1,164	-
Current maturities of long term borrowings	-	294	-	296
Working capital demand loan	-	108	-	-
Foreign currency packing credit and demand loan/ cash credit	-	319	-	1,519
	1,534	721	1,758	1,815

The carrying amount of borrowings is considered to be a reasonable approximation of fair value.

Terms, guarantee and repayment details of borrowings

- VA Tech Wabag (Philippines) Inc. has availed secured term loans at an interest of 6.00% to 8.50% (31 March 2025: 6.00% to 6.50%) per annum with scheduled repayments.
- The Parent has availed packing credit facilities US dollars and EURO at an interest rate of 2.86% to 6.83% (31 March 2025: 3.21% to 6.99%) 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.
- The Parent has availed secured cash credit facilities from banks during the previous year at an interest rate of 9.65% to 10.05% per annum and are secured against receivables of the Parent.
- During the financial year 2023-24 the Parent issued debentures to Asian Development Bank, which is secured by first pari-passu charge on the entire current assets of the Company except MRPL Project and BUIDCO Bhagalpur Project and repayable over 18 quarterly instalments from August 2024. During the current year interest rate has been repriced to 6.61% per annum (31 March 2025: 7.695% per annum).
- Ghaziabad Water Solutions Private Limited had availed secured term loans at an interest rate of 10.85% per annum, interest rate has been repriced to 9.25% per annum (31 March 2025: 10.85%) per annum with scheduled repayments, payable by end of 31 March 2038.
- VA Tech Wabag GmbH, Austria has availed working capital demand loan during the year at an interest of 3.25% p.a. + EURIBOR per annum, and is repayable within 90 days from the date of availment and are secured against receivables of the subsidiary company.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

17. Trade payables

	As at 31 March 2026		As at 31 March 2025	
	Non-current	Current	Non-current	Current
Dues to micro and small enterprises (Also refer note (a) below)	-	714	-	111
Dues to others	1,892	11,908	2,274	10,347
Total	1,892	12,622	2,274	10,458

Ageing for trade payables - billed – non current outstanding as at 31 March 2026 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	1,886	-	-	-	-	1,886
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	6	-	-	-	-	6
Total	1,892	-	-	-	-	1,892

Ageing for trade payables - billed – non current outstanding as at 31 March 2025 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	2,274	-	-	-	-	2,274
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	-	-	-
Total	2,274	-	-	-	-	2,274

Ageing for trade payables - billed – current outstanding as at 31 March 2026 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	502	186	11	12	3	714
Others	4,927	4,785	1,277	260	654	11,903
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	-	1	4	5
Total	5,429	4,971	1,288	273	661	12,622

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 2025 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	57	46	2	2	4	111
Others	1,900	6,744	803	399	475	10,321
Disputed dues - MSME	-	-	-	-	-	-
Disputed dues - Others	-	-	3	-	23	26
Total	1,957	6,790	808	401	502	10,458

- (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 ₹ 147 Millions (31 March 2025: ₹ 46 Millions) have been reversed from trade payables.

18. Other financial liabilities

	As at 31 March 2026		As at 31 March 2025	
	Non-current	Current	Non-current	Current
Employee related payables	25	339	19	303
Unpaid dividends	-	0	-	0
Other liabilities	-	17	-	24
	25	356	19	327

19. Provisions

	As at 31 March 2026		As at 31 March 2025	
	Non-current	Current	Non-current	Current
Provision for warranty	-	2,114	-	1,358
Provision for liquidated damages	-	-	-	-
Provision for foreseeable losses on contracts	-	1	-	5
Provision for employee benefits				
Gratuity, anniversary, severance payments and others	74	115	64	75
Compensated absences	46	89	54	60
	120	2,319	118	1,498

a) Provision for warranty

	Year ended 31 March 2026	Year ended 31 March 2025
Balance at the beginning of the year	1,358	999
Created during the year, net	744	438
Utilized during the year	(13)	(84)
Foreign exchange fluctuation	25	5
Balance at the end of the year	2,114	1,358

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

19. Provisions (Contd..)

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

	Year ended 31 March 2026	Year ended 31 March 2025
Balance at the beginning of the year	-	-
Created during the year, net	-	53
Utilized during the year	-	(53)
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 foreseeable losses on contracts

	Year ended 31 March 2026	Year ended 31 March 2025
Balance at the beginning of the year	5	13
(Reversed)/Created during the year, net	(4)	(8)
Utilized during the year	-	-
Balance at the end of the year	1	5

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.

d) Provision for employee benefits

The following tables summarize the components of all defined benefit plans for the year ended 31 March 2026:

For the year ended 31 March 2026	Gratuity	Anniversary	Severance payments
Change in defined benefit obligation			
Defined benefit obligation at the beginning of the year	115	5	42
Current Service cost	15	0	0
Past Service cost	68	-	-
Interest cost	8	0	1
Actuarial (gain)/losses	13	1	(2)
Benefits paid	(10)	(1)	-
Foreign exchange fluctuation	-	1	9
Defined benefit obligation at the end of the year	209	6	50
Thereof			
Unfunded	103	6	50
Funded	106	-	-

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

19. Provisions (Contd..)

For the year ended 31 March 2026	Gratuity	Anniversary	Severance payments
Change in plan assets			
Fair value of plan assets at the beginning of the year	98	-	-
Expected return on plan assets	6	-	-
Actuarial gain	(5)	-	(2)
Employer contributions	18	-	-
Benefits paid	(10)	-	2
Fair value of plan assets at the end of the year	106	-	0
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	209	6	50
Fair value of plan assets at the end of the year	(106)	-	0
Liability recognised in the balance sheet	103	6	50
Components of expenses :			
Current service cost	15	0	0
Interest cost	8	0	1
Past service cost	68	-	-
Expected returns on plan assets	(6)	-	-
Recognized net actuarial (gain)/loss	18	1	(2)
Foreign exchange fluctuation	-	-	-
Net expense recognized in the statement of profit and loss	103	1	(1)

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	104	-	-
Group debt fund	2	-	-
Group short term debt fund	0	-	-
Total	106	-	-

	Gratuity	Anniversary	Severance payments
Principal actuarial assumptions used:			
Discount rate	6.86%	3.68%	3.27%
Long-term rate of compensation increase	10.00% for first year, 5.00% thereafter	3.00%	3.00%
Attrition rate	20.00%	-	-
Expected rate of return on plan assets	6.86%	-	-
Average remaining life (in years)	23	6	3

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

19. Provisions (Contd..)

The Group assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

In accordance with "Code on Social Security, 2020", the Parent 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 Parent makes annual contribution to the gratuity fund maintained with an insurance company.

Severance payments are one time settlements payable on termination of employment by the employer or on retirement to employees. These are calculated on the basis of years of service and the amount or remuneration in accordance with actuarial principles.

Claims for anniversary bonus deriving from collective wage and company agreements were calculated using same parameters as for the provision for severance payments in accordance with actuarial principles.

Based on historical data, the Group expects contributions of ₹103 Millions to be paid for financial year 2025-26. The weighted average duration of the defined benefit obligation as at 31 March 2026 is 4.34 years.

Employee benefits - Maturity profile of defined benefit obligation

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2026					
Gratuity	59	40	84	87	270
Anniversary	-	6	-	-	6
Severance payments	-	50	-	-	50

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 2026.

Gratuity	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2026						
> Sensitivity level	0.5%	(0.5%)	0.5%	(0.5%)	0.5%	(0.5%)
> Impact on defined benefit obligation	0.02	(0.03)	(3.28)	3.40	5.69	(5.49)

Anniversary	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
31 March 2026				
> Sensitivity level	1.0%	(1.0%)	1.0%	(1.0%)
> Impact on defined benefit obligation	(0.37)	0.42	0.41	(0.36)

Severance payments	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
31 March 2026				
> Sensitivity level	1.0%	(1.0%)	1.0%	(1.0%)
> Impact on defined benefit obligation	(1.30)	1.38	1.33	(1.28)

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

19. Provisions (Contd..)

The following tables summarise the components of all defined benefit plans for the year ended 31 March 2025:

For the year ended 31 March 2025	Gratuity	Anniversary	Severance payments
Change in defined benefit obligation			
Defined benefit obligation at the beginning of the year	103	6	61
Current Service cost	10	0	0
Past Service cost	-	-	-
Interest cost	6	0	1
Actuarial loss/(gain)	8	(1)	1
Benefits paid	(13)	-	(21)
Foreign exchange fluctuation	-	0	0
Defined benefit obligation at the end of the year	115	5	42
Thereof			
Unfunded	17	6	42
Funded	98	-	-
Change in plan assets			
Fair value of plan assets at the beginning of the year	80	-	-
Expected return on plan assets	6	-	-
Actuarial gain	1	-	-
Employer contributions	24	-	-
Benefits paid	(13)	-	-
Fair value of plan assets at the end of the year	98	-	-
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	115	5	42
Fair value of plan assets at the end of the year	(98)	-	-
Liability recognised in the balance sheet	17	5	42
Components of expenses:			
Current service cost	10	0	0
Past service cost	6	-	-
Interest cost	-	0	1
Expected returns on plan assets	(6)	-	-
Recognized net actuarial (gain)/loss	7	(1)	1
Foreign exchange fluctuation	-	-	-
Net expense recognized in the statement of profit and loss	17	(1)	2

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	95	-	-
Group debt fund	1	-	-
Group short term debt fund	0	-	-
Total	97	-	-

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

19. Provisions (Contd..)

Total plan assets	Gratuity	Anniversary	Severance payments
Principal actuarial assumptions used:			
Discount rate	6.57%	3.13%	2.75%
Long-term rate of compensation increase	5.00%	4.00%	4.00%
Attrition rate	20.00%	-	-
Expected rate of return on plan assets	6.57%	-	-
Average remaining life (in years)	23	7	3

The Group assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Based on historical data, the Company expects contributions of ₹ 18 Millions to be paid for financial year 2024-25. The weighted average duration of the defined benefit obligation as at 31 March 2025 is 4.72 years.

Employee benefits - Maturity profile of defined benefit obligation

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2025					
Gratuity	34	21	45	44	144
Anniversary	-	6	-	-	6
Severance payments	-	44	-	-	44

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 2025.

Gratuity	Attrition rate		Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease	Increase	Decrease
31 March 2025						
> Sensitivity level	0.5%	(0.5%)	0.5%	(0.5%)	0.5%	(0.5%)
> Impact on defined benefit obligation	(0.02)	0.01	(1.75)	1.81	1.66	(1.64)

Anniversary	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
31 March 2025				
> Sensitivity level	1.0%	(1.0%)	1.0%	(1.0%)
> Impact on defined benefit obligation	(0.36)	0.42	0.40	(0.35)

Severance payments	Discount rate		Future salary increases	
	Increase	Decrease	Increase	Decrease
31 March 2025				
> Sensitivity level	1.0%	(1.0%)	1.0%	(1.0%)
> Impact on defined benefit obligation	(1.41)	1.50	1.44	(1.38)

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

19. Provisions (Contd..)

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 ₹ 12 Millions (Year ended 31 March 2025: ₹ 36 Millions).

	Year ended 31 March 2026	Year ended 31 March 2025
Principal actuarial assumptions used:		
Discount rate	6.86%	6.57%
Long-term rate of compensation increase	10.00% for first year, 5.00% thereafter	5.0%
Attrition rate	20.0%	20.0%
Average remaining life (in years)	23	23

The estimates of future salary increases, considered in actuarial valuation taking into account of inflation, seniority, promotion, attrition and relevant factors, such as supply and demand in the employment market.

The defined benefit obligation and plan assets are composed by geographical locations as follows:

	India	Rest of the world	Total
31 March 2026			
Defined benefit obligation	275	57	332
Fair value of plan assets	106	0	106
	169	57	226
31 March 2025			
Defined benefit obligation	202	47	249
Fair value of plan assets	98	-	98
	104	47	151

Defined contribution plans (Refer Note 27): Amount of ₹ 94 Millions (31 March 2025: ₹ 82 Millions) is recognized as an expenses.

20. Other liabilities

	As at 31 March 2026		As at 31 March 2025	
	Non-current	Current	Non-current	Current
Advance from customers	2,074	2,191	1,817	1,492
Unbilled payables	-	10,583	-	8,056
Statutory dues	-	437	-	1,284
Billing in advance of work completed	-	22	-	82
Others	-	109	-	58
	2,074	13,342	1,817	10,972

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

21. Current tax liabilities (net)

	As at 31 March 2026	As at 31 March 2025
Current tax liabilities net of advance taxes	453	123
	453	123

22. Financial Instruments

The carrying value and fair value of financial instruments by categories are as follows:

Categories of financial assets and financial liabilities

	Financial assets at fair value through profit and loss	Financial assets at amortized cost	Total
As at 31 March 2026			
Financial assets			
Investments	52	-	52
Trade receivables	-	31,717	31,717
Cash and bank balances	-	10,592	10,592
Loans	-	220	220
Other financial assets	-	2,247	2,247
	52	44,776	44,828

	Financial liabilities at fair value through profit and loss	Financial liabilities at amortized cost	Total
As at 31 March 2026			
Financial liabilities			
Trade payables	-	14,514	14,514
Borrowings	-	2,255	2,255
Lease liabilities	-	29	29
Other financial liabilities	-	381	381
	-	17,179	17,179

	Financial assets at fair value through profit and loss	Financial assets at amortized cost	Total
As at 31 March 2025			
Financial assets			
Investments	44	-	44
Trade receivables	-	26,080	26,080
Cash and bank balances	-	9,446	9,446
Loans	-	120	120
Other financial assets	-	2,304	2,304
	44	37,950	37,994

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

22. Financial Instruments (Contd..)

	Financial liabilities at fair value through profit and loss	Financial liabilities at amortized cost	Total
As at 31 March 2025			
Financial liabilities			
Trade payables	-	12,732	12,732
Borrowings	-	3,573	3,573
Lease liabilities	-	44	44
Other financial liabilities	-	346	346
	-	16,695	16,695

The carrying value of financial asset and financial liabilities approximates the fair value of financial asset and financial liabilities as at 31 March 2026 and 31 March 2025. Also refer note 39- fair value measurement.

23. Revenue from operations

	Year ended 31 March 2026	Year ended 31 March 2025
Sale of services	39,084	32,760
Other operating revenues, net (Also refer note 17(b))	358	180
	39,442	32,940

A Disaggregation of sale of services

Sale of services are disaggregated based on projects, based on customer, based on timing of revenue recognition and based on geography.

a) Based on Project

	Year ended 31 March 2026	Year ended 31 March 2025
Construction contracts	32,260	26,771
Operation and maintenance contracts	6,824	5,989
	39,084	32,760

b) Based on Customer

	Year ended 31 March 2026	Year ended 31 March 2025
Industrial	7,903	8,153
Municipal	31,181	24,607
	39,084	32,760

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.

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

23. Revenue from operations (Contd..)

d) Based on Geography

Sale of services can be disaggregated based on geography into 'India' and 'Rest of the World'. Refer Note 41- Segment Reporting for further details.

B Transaction price allocated to the remaining performance obligations (Order backlog)

Revenues expected to be recognised in the future relating to performance obligations that are unsatisfied or partially unsatisfied as at 31 March 2026 amount to ₹ 166,234 Millions (31 March 2025: ₹ 124,837 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

	Year ended 31 March 2026	Year ended 31 March 2025
Opening contract price of orders as at 01 April*	124,837	102,811
Total orders received during the year	74,708	56,918
Total revenue recognised during the year	(39,084)	(32,760)
Effects of foreign exchange movements & order variations	5,773	(2,132)
Closing contract price of orders as at 31 March*	166,234	124,837

*Excludes framework contracts amounting to ₹ 6,114 Millions (31 March 2025: ₹ 11,830 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

	Year ended 31 March 2026	Year ended 31 March 2025
Interest income from deposits with banks and others	463	262
Exchange gain on foreign currency, net	467	79
Gain on sale/liquidation of investment in subsidiary/joint venture	-	80
Gain on sale of property, plant and equipment, net	-	2
Dividend income	13	23
	943	446

25. Cost of sales and services

	Year ended 31 March 2026	Year ended 31 March 2025
Engineering costs	58	721
Material costs	17,546	13,539
Civil costs	5,763	4,908
Erection and commissioning costs	934	741
Taxes and duties	431	242
Site establishment costs	1,249	953
Project consultancy fee	56	57
Warranty expenses (Also refer note 19(a))	744	438

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

25. Cost of sales and services (Contd..)

	Year ended 31 March 2026	Year ended 31 March 2025
Foreseeable losses on contracts (Also refer note 19(c))	(4)	(8)
Project travel	251	217
Project Insurance	105	66
Power and fuel	231	413
Liquidated damages (Also refer note 19(b))	-	53
Other operation and maintenance expenses	771	908
Other project expenses	1,871	2,350
	30,006	25,598

26. Changes in inventories

	Year ended 31 March 2026	Year ended 31 March 2025
Inventories at the beginning of the year		
Contract inventories	207	259
Stores and spares	151	100
	A 358	359
Less: Inventories at the end of the year		
Contract inventories	217	207
Stores and spares	141	151
	B 358	358
Net exchange differences	C 32	6
	(A-B+C) 32	7

27. Employee benefits expense

	Year ended 31 March 2026	Year ended 31 March 2025
Salaries and wages	2,663	2,327
Contribution to defined benefit plans (Also refer note 19(d))	59	57
Contribution to provident and other defined contribution funds	94	82
Staff welfare expenses	188	179
	3,004	2,645

28. Finance costs

	Year ended 31 March 2026	Year ended 31 March 2025
Interest expenses for borrowings at amortised cost	230	333
Interest expenses on lease liabilities	0	1
Bank charges	499	454
	729	788

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

29. Depreciation and amortization expense

	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation of property, plant and equipment (Also refer note 5)	58	54
Amortization of intangible assets (Also refer note 5)	4	5
	62	59

30. Other expenses

	Year ended 31 March 2026	Year ended 31 March 2025
Rent (Also refer note 34)	55	61
Insurance	24	24
Power and fuel	21	24
Rates and taxes	21	20
Repairs and maintenance	96	89
Professional charges (Also refer note 35)	240	197
Communication expenses	13	13
Travelling and conveyance	84	89
Bad and doubtful debts, net	884	(197)
Advertisement	2	8
Loss on sale of property, plant and equipment and Intangible assets, net	1	-
Research and development expenses	47	40
Corporate social responsibility expenses (Also refer note 36)	52	36
Miscellaneous expenses	86	63
	1,626	467

31. Income taxes

The major components of income tax expense for the year ended 31 March 2026 and 31 March 2025 are:

	Year ended 31 March 2026	Year ended 31 March 2025
Current tax :		
Income tax expense	1,241	781
Deferred tax :		
Relating to allowances for credit losses	(66)	129
Relating to origination and reversal of temporary differences	13	(14)
Tax expense reported in the statement of profit and loss	1,188	896
Income tax relating to items that will not be reclassified to profit and loss	(5)	(2)
Tax expense reported in other comprehensive income	(5)	(2)

Notes forming part of the Consolidated 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 expected tax expense based on the domestic effective tax rate of the Parent at 25.49% (Year ended 31 March 2025 : 24.95%) and the reported tax expense in the statement of profit and loss are as follows:

	Year ended 31 March 2026	Year ended 31 March 2025
Profit before taxes	4,886	3,844
Enacted tax rates in India	25.168%	25.168%
Tax on profit at enacted tax rate	1,230	967
Difference between Indian and foreign tax rates and net results of subsidiaries	(3)	(196)
Tax effect on non deductible expenses	14	10
Deferred tax charges	(53)	115
Income tax expense	1,188	896
Current tax	1,241	781
Deferred tax	(53)	115
Income tax expense reported in the statement of profit and loss	1,188	896

32. Earnings per equity share (EPS)

	Year ended 31 March 2026	Year ended 31 March 2025
For profit for the year		
Nominal value of equity shares (in ₹)	2	2
Profit attributable to owners of the parent (A)	3,705	2,953
Weighted average number of equity shares outstanding during the year (B)	62,255,692	62,190,428
Dilutive effect on weighted average number of equity share options outstanding during the year (C)	841,234	903,303
Weighted average number of equity shares for computing diluted EPS (D) = (B + C)	63,096,926	63,093,731
Basic earnings per equity share (A/B) (in ₹)	59.51	47.48
Diluted earnings per equity share (A/D) (in ₹)	58.72	46.80

33. Contract balances

	Year ended 31 March 2026	Year ended 31 March 2025
Movement in contract assets		
Opening balance	10,330	8,451
Changes in the measure of progress, claims and other adjustments, net	5,209	3,922
Transfers to trade receivables, net	(3,703)	(2,043)
Closing balance	11,836	10,330

	Year ended 31 March 2026	Year ended 31 March 2025
Movement in contract liabilities		
Opening balance	3,391	4,551
Billing-in-advance for work completed	16	71
Advances received during the year	1,772	532
Revenues recognised during the period	(77)	(414)
Advances offset against billing, net	(815)	(1,349)
Closing balance	4,287	3,391

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

34. Leases

Leases include several office buildings and vehicles.

	Year ended 31 March 2026	Year ended 31 March 2025
(A) Expenses related to leases recognised in Statement of Profit and Loss:		
Interest expense on lease liabilities	0	1
Expenses relating to short term leases (Also refer note 30)	55	61
Depreciation expenses of right to use assets	15	19
(B) Payments related to leases recognised in Statement of Cash Flows:		
(De-Recognition)/Recognition of lease liabilities	(15)	(40)
Interest paid on lease liabilities (Also refer note 28)	0	1

(C) Total right to use assets recognised for the year ended 31 March 2026 :

Right to use assets class wise	Property, plant and equipment		
	Buildings	Vehicles	Total
Gross carrying value			
Balance as at 31 March 2025	28	97	125
Additions	-	-	-
Disposals	-	23	23
Effects of foreign currency translation	4	1	5
Balance as at 31 March 2026	32	75	107
Accumulated depreciation/amortization			
Balance as at 31 March 2025	9	51	61
Depreciation/amortization expense for the year	13	2	15
Reversal on disposal of assets	-	21	21
Effects of foreign currency translation	4	0	4
Balance as at 31 March 2026	26	33	59
Net carrying value			
Balance as at 31 March 2025	19	46	64
Balance as at 31 March 2026	6	42	48

(D) Maturity analysis of lease liabilities as at 31 March 2026:

	As at 31 March 2026	As at 31 March 2025
Current lease liabilities liquidity analysis		
Within 6 months	6	10
Within 6-12 months	-	6
Non-Current lease liabilities liquidity analysis		
Within 1 to 5 years	23	28
Later than 5 years	-	-

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

35. Remuneration to auditors of the Parent (included as part of professional charges) *

	Year ended 31 March 2026	Year ended 31 March 2025
As auditor		
Audit fees	7	6
Taxation matters	0	0
Other services	3	1
Reimbursement of expenses	1	1
	12	8

* excluding taxes and amounts paid to component auditors

36. Expenditure on Corporate Social Responsibility (CSR)

	Year ended 31 March 2026	Year ended 31 March 2025
a) Amount required to be spent by the company during the year	50	36
b) Amount of expenditure incurred	52	36
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 maintainance 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	- 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	₹ 172 Millions (Previous year: ₹ 296) (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
Associates	Windhoek Goreangab Operating Company (Pty) Limited, Namibia VA Tech Wabag and Roots Contracting LLC, Qatar DK Sewage Project Private Limited, India Ganga STP Project Private Limited, India
Joint Venture	Ghaziabad Bio Energy Private Limited (Joint Venture effective 16 February 2026)
Key Management Personnel (KMP)	Mr. Rajiv Mittal - Chairman & Managing Director Mr. S Varadarajan - Whole time Director & Chief Growth Officer Mr. Milin Mehta - Independent Director Mrs. 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 Mr. Arulmozhi - CFO, India Cluster Mr. Bhupesh Chowdhary Nagineni - Deputy Managing Director (w.e.f 21 May 2026) Mr. Anup Kumar Samal - Company Secretary & Compliance Officer Mr. Rohan Mittal - Head – Strategy & Business Growth – GCC (w.e.f 21 May 2026) (Relative of Chairman & Managing Director)
Other Related Party (Relative of Chairman & Managing Director)	Ms. Shamali Chavan - Senior Engineer (w.e.f 14 February 2025) Ms. Ruchi Mittal - Consultant (w.e.f 02 June 2025)

b) Transactions with related parties

	Year ended 31 March 2026		Year ended 31 March 2025	
	Associates	Joint venture	Associates	Joint venture
Sales of goods and services	138	-	624	-
Investments	22	0	-	-
Other operating income	17	-	5	-

c) Balances with related parties

	As at 31 March 2026			As at 31 March 2025		
	Associates	Joint venture	KMP and other related party	Associates	Joint venture	KMP and other related party
Advances/amount recoverable	575	-	-	770	-	-
Loan including interest	247	-	-	128	-	-
Creditors/Payables	12	-	12	9	-	8

Note:

The maximum amount of loans outstanding during the year in accordance with Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 are as below:

- Ganga STP Projects Private Limited - ₹ 117 Millions (31 March 2025: ₹ 105 Millions)
- DK Sewage Projects Private Limited - ₹ 116 Millions (31 March 2025: ₹ 15 Millions)

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

38. Related party disclosures (Contd..)

d) Remuneration to Key Management Personnel and Other Related Party :

	Year ended 31 March 2026	Year ended 31 March 2025
Salaries including bonus	143	104
Post employment and termination benefits*	10	8
Commission	8	7

*Provisions for contribution to gratuity, leave encashment and other defined benefit are determined by actuary on an overall Company basis at the end of each year and, accordingly, have not been considered in the above information.

All transactions with these related parties are in the ordinary course of business transactions with individual related parties are disclosed to the stock exchanges as per the SEBI (LODR) Regulations on a half yearly basis.

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 2026 and 31 March 2025:

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					
2026	31 March 2026	52	-	-	52
2025	31 March 2025	44	-	-	44

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

39. Fair value measurement (Contd..)

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 2026 of ₹ 490 Millions (31 March 2025 ₹ 1,589 Millions) and of ₹ 1,765 Millions (31 March 2025 ₹ 1,984 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.

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 2026 (31 March 2025 : +/- 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 2026 and 31 March 2025. All other variables are held constant.

		As at 31 March 2026	As at 31 March 2025
Profit before tax			
Increase	+1%	18	20
Decrease	-1%	(18)	(20)
Equity before tax			
Increase	+1%	18	20
Decrease	-1%	(18)	(20)

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..)

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:-

	Foreign currency exposure (in ₹ millions)	
	USD	EUR
31 March 2026		
Financial assets	14,654	2,290
Financial liabilities	2,799	951
31 March 2025		
Financial assets	7,922	289
Financial liabilities	2,635	690

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 2026 (31 March 2025: +/- 1%).

If the ₹ had strengthened against the USD by 1% during the year ended 31 March 2026 (31 March 2025: 1%) and EUR by 1% during the year ended 31 March 2026 (31 March 2025: 1%) respectively, then it would have had the following impact on profit before tax and equity before tax:

		As at 31 March 2026	As at 31 March 2025
Profit before tax			
USD	+1%	119	53
EUR	+1%	13	(4)
		132	49
Equity before tax			
USD	+1%	119	53
EUR	+1%	13	(4)
		132	49

If the ₹ had weakened against the USD by 1% during the year ended 31 March 2026 (31 March 2025: 1%) and EUR by 1% during the year ended 31 March 2026 (31 March 2025: 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.

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..)

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 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:

Classes of financial assets

	As at 31 March 2026	As at 31 March 2025
Trade receivables	31,717	26,080
Cash and cash equivalents balances	7,851	7,177
Bank balances other than those mentioned in cash and cash equivalents	2,741	2,269
Loans	220	120
Other financial assets	2,247	2,304

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 2026, the Group had 18 (31 March 2025: 17) customers that owed the Group more than ₹ 500 millions each and accounted for approximately 74% (31 March 2025: 77%) of all the receivables outstanding. As at 31 March 2026, 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 2026.

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.

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 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 2026 and 31 March 2025.

As at 31 March 2026	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Borrowings	620	248	1,115	1,273
Trade payables	12,268	354	1,892	-
Lease liabilities	6	-	23	-
Other financial liabilities	350	6	25	-
	13,244	608	3,055	1,273

As at 31 March 2025	Current		Non-current	
	Within 6 months	6 to 12 months	1 to 5 years	Later than 5 years
Borrowings	1,635	211	822	1,024
Trade payables	9,269	1,189	2,274	-
Lease liabilities	10	6	28	-
Other financial liabilities	315	12	19	-
	11,229	1,418	3,143	1,024

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 2026				
Revenue				
External sales	18,643	20,913	-	39,556
Other operating revenue	-	-	521	521
Inter-segment sales*	(56)	(579)	-	(635)
Total revenue	18,587	20,334	521	39,442
Results				
Segment result	3,201	5,846	-	9,047
Share of profit of associates, net	-	7	-	7
Unallocated corporate expenses	-	-	(4,692)	(4,692)
Operating profit	3,201	5,853	(4,692)	4,362

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

41. Segment reporting (Contd..)

Particulars	India	Rest of world	Unallocated	Total
Interest and finance charges, net	-	-	(253)	(253)
Other income	-	-	824	824
Profit before exceptional items and tax	3,201	5,853	(4,121)	4,933
Exceptional items	-	-	(47)	(47)
Profit before tax	3,201	5,853	(4,168)	4,886
Income taxes	-	-	(1,188)	(1,188)
Profit after tax	3,201	5,853	(5,356)	3,698
Non-controlling interests	-	-	7	7
Profit for the year attributable to owners of the Parent	3,201	5,853	(5,349)	3,705
As at 31 March 2026				
Other information				
Segment assets	24,454	27,826	-	52,280
Unallocated corporate assets	-	-	8,944	8,944
Total assets	24,454	27,826	8,944	61,224
Segment liabilities	15,995	17,347	-	33,342
Unallocated corporate liabilities	-	-	2,145	2,145
Total liabilities	15,995	17,347	2,145	35,487
For the year ended 31 March 2026				
Capital expenditure	-	-	52	52
Depreciation and amortization	-	-	62	62
Other non cash expenditure, net	-	-	1,117	1,117

* Net of intra-segment eliminations of sales within India

Particulars	India	Rest of world	Unallocated	Total
For the year ended 31 March 2025				
Revenue				
External sales	18,012	15,525	-	33,537
Other operating revenue	-	-	317	317
Inter-segment sales	(472)	(442)	-	(914)
Total revenue	17,540	15,083	317	32,940
Results				
Segment result	3,041	4,114	-	7,155
Share of profit of associates and a joint venture, net	-	22	-	22
Unallocated corporate expenses	-	-	(3,171)	(3,171)
Operating profit	3,041	4,136	(3,171)	4,006
Interest and finance charges, net	-	-	(421)	(421)
Other income	-	-	258	258
Profit before tax	3,041	4,136	(3,333)	3,844
Income taxes	-	-	(896)	(896)
Profit after tax	3,041	4,136	(4,229)	2,948
Non-controlling interests	-	-	5	5
Profit for the year attributable to owners of the Parent	3,041	4,136	(4,224)	2,953
As at 31 March 2025				
Other information				
Segment assets	23,926	19,821	-	43,747
Unallocated corporate assets	-	-	8,926	8,926
Total assets	23,926	19,821	8,926	52,673

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

41. Segment reporting (Contd..)

Particulars	India	Rest of world	Unallocated	Total
Segment liabilities	16,111	11,241	-	27,352
Unallocated corporate liabilities	-	-	3,871	3,871
Total liabilities	16,111	11,241	3,871	31,223
For the year ended 31 March 2025				
Capital expenditure	-	-	45	45
Depreciation and amortization	-	-	59	59
Other non cash expenditure, net	-	-	276	276

Revenue from one customer in Indian segment and one customer in the rest of the world segment individually exceed 10% of the total consolidated revenue from operations for the year ended 31 March 2026 and 31 March 2025.

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 2026	81.9%	21,082	90.4%	3,344	98.7%	667	91.7%	4,011
31 March 2025	83.2%	17,836	92.0%	2,713	100.2%	166	92.5%	2,879
Indian Subsidiaries								
Ghaziabad Water Solutions Private Limited								
31 March 2026	(0.7%)	(170)	(0.2%)	(7)	-	-	(0.2%)	(7)
31 March 2025	(0.8%)	(163)	(4.2%)	(123)	-	-	(3.9%)	(123)
Foreign subsidiaries								
VA Tech Wabag (Philippines) Inc								
31 March 2026	0.4%	111	(0.5%)	(17)	0.1%	1	(0.4%)	(16)
31 March 2025	0.6%	123	(2.3%)	(67)	0.2%	0	(2.1%)	(67)
VA Tech Wabag Muscat LLC								
31 March 2026	0.1%	24	0.1%	5	-	-	0.1%	5
31 March 2025	0.1%	17	0.0%	1	-	-	0.0%	1
Wabag Muhibbah JV SDN. BHD.								
31 March 2026	0.4%	95	(0.6%)	(20)	-	-	(0.5%)	(20)
31 March 2025	0.5%	97	(0.3%)	(10)	-	-	(0.3%)	(10)
Wabag Belhasa JV WLL								
31 March 2026	0.6%	152	2.8%	105	-	-	2.4%	105
31 March 2025	0.2%	37	0.5%	14	-	-	0.4%	14
VA Tech Wabag And Roots Contracting LLC- Project-I								
31 March 2026	0.0%	5	0.0%	-	-	-	0.0%	-

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

42. Statutory group information (Contd..)

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
31 March 2025	0.0%	5	(0.0%)	(1)	-	-	(0.0%)	(1)
VA Tech Wabag (Singapore) Pte Limited								
31 March 2026	3.2%	827	0.3%	10	-	-	0.2%	10
31 March 2025	3.4%	733	5.0%	146	-	-	4.7%	146
Va Tech Wabag Limited								
Pratibha Industries Limited JV								
31 March 2026	0.2%	47	0.0%	1	-	-	0.0%	1
31 March 2025	0.2%	46	0.0%	1	-	-	0.0%	1
VA Tech Wabag Gmbh								
31 March 2026	17.2%	4,434	5.7%	211	-	-	4.8%	211
31 March 2025	16.8%	3,607	29.5%	870	(0.4%)	(1)	27.9%	870
Wabag Water Services S.R.L.								
31 March 2026	-	-	-	-	-	-	0.0%	-
31 March 2025	0.0%	-	(0.4%)	(11)	-	-	(0.4%)	(11)
VA Tech Wabag Su Teknolojisi Ve Tic. A.S								
31 March 2026	(1.0%)	(249)	0.1%	4	-	-	0.1%	4
31 March 2025	(1.0%)	(217)	0.0%	1	-	-	0.0%	1
VA Tech Wabag Tunisie S.A.R.L								
31 March 2026	1.7%	435	4.2%	156	-	-	3.6%	156
31 March 2025	1.0%	222	2.4%	70	-	-	2.3%	70
VA Tech Wabag Deutschland Gmbh								
31 March 2026	-	-	-	-	-	-	-	-
31 March 2025	-	-	-	-	-	-	-	-
Non-controlling interest in all subsidiaries								
31 March 2026	0.2%	52	(0.2%)	(7)	1.2%	8	0.0%	1
31 March 2025	0.2%	51	(0.2%)	(5)	-	-	(0.2%)	(5)
Associates (investments as per equity method)								
Indian								
Ganga STP Project Private Limited								
31 March 2026	11%	293	0.5%	17	-	-	0.4%	17
31 March 2025	1.3%	276	1.2%	35	-	-	1.1%	35
DK Sewage Project Private Limited								
31 March 2026	1.2%	310	(0.9%)	(32)	-	-	(0.7%)	(32)
31 March 2025	1.5%	320	(0.4%)	(13)	-	-	(0.4%)	(13)

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

42. Statutory group information (Contd..)

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 And Roots Contracting LLC - Project-II and Project-III								
31 March 2026	0.1%	18	0.1%	2	-	-	0.0%	2
31 March 2025	0.1%	16	(0.1%)	(2)	-	-	(0.1%)	(2)
Windhoek Goreangab Operating Company (Pty) Limited								
31 March 2026	0.2%	48	0.5%	20	-	-	0.5%	20
31 March 2025	0.2%	38	0.1%	2	-	-	0.1%	2
Intercompany eliminations and other adjustments								
31 March 2026	(6.9%)	(1,776)	(2.6%)	(95)	-	-	(2.2%)	(95)
31 March 2025	(7.4%)	(1,594)	(22.8%)	(673)	-	-	(21.6%)	(673)
Total								
31 March 2026	100.0%	25,737	100.0%	3,698	100.0%	676	100.0%	4,374
31 March 2025	100.0%	21,450	100.0%	2,948	100.0%	165	100.0%	3,113

43. Authorization of financial statements

The consolidated financial statements for the year ended 31 March 2026 (including comparatives) is approved by the Board of Directors on 21 May 2026.

44. Interest in other entities

Summarized financial information of the associates and joint venture, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

(a) Investments in associates

	As at 31 March 2026	As at 31 March 2025
Aggregate carrying amount of associates	669	650
	Year ended 31 March 2026	Year ended 31 March 2025
Aggregate amount of the associates share of:		
Profit for the year	7	22
Other comprehensive income	-	-
Total comprehensive income	7	22

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

44. Interest in other entities (Contd..)

(b) Investments in joint venture

	As at 31 March 2026	As at 31 March 2025
Aggregate carrying amount of joint venture	0	-
	Year ended 31 March 2026	Year ended 31 March 2025
Aggregate amounts of the group's share of:		
Profit for the year	-	-
Other comprehensive income	-	-
Total comprehensive income	-	-
Share of profits from associates	7	22
Share of profits from joint venture	-	-

45. Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date (31 March 2026) and the date of authorization (21 May 2026), other than those disclosed under respective notes.

46. Contingent liabilities, commitments and guarantees

a) Claims against the Group not acknowledged as debt

	As at 31 March 2026	As at 31 March 2025
Income tax demand including interest contested in appeal for various assessment years	193	66
Indirect tax matters under dispute including interest contested in appeal for various years	2,279	1,011
Shares of contingent liabilities in subsidiaries with respect of income tax matters	3	3
Shares of contingent liabilities in associates with respect of income tax and indirect tax matters	23	55

b) Capital commitments

The estimated amounts of contracts to be executed on capital account and not provided for (net of advances) Nil (31 March 2025: Nil).

c) Guarantees excluding financial guarantees: ₹ Nil (31 March 2025: ₹ Nil)

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

47. Analytical ratios

	31 March 2026	31 March 2025	Change	Numerator	Denominator
a) Current Ratio	1.71	1.70	0.5%	Current assets	Current Liabilities
b) Debt-Equity Ratio*	0.09	0.17	(47.4%)	Total Debt (Long & Short term)	Shareholder's Equity
c) Debt Service Coverage Ratio#	7.21	4.96	45.4%	Earnings available for debt service	Debt Service
d) Return on Equity Ratio (ROE)	15.7%	14.9%	5.5%	Net Profits after taxes	Average Shareholder's Equity
e) Inventory turnover Ratio	9.10	7.61	19.5%	Cost of goods sold or sales	Average Inventory
f) Trade Receivables turnover Ratio	1.35	1.28	5.9%	Net Credit Sales	Average Accounts Receivable
g) Trade payables turnover Ratio	2.20	2.11	4.5%	Net Credit Purchases	Average Trade Payables
h) Net capital turnover Ratio	1.86	1.86	(0.3%)	Net Sales	Working Capital
i) Net profit Ratio	9.5%	9.0%	5.1%	Net Profit	Net Sales
j) Return on Capital employed (RoCE)	18.6%	16.9%	9.5%	Earning before interest and taxes	Capital Employed

*Due to considerable reduction in debt and increase in PAT as compared to previous year.

Due to reduction in interest and increase in earnings

All investments are non current in nature and invested in group companies. Hence return on investment ratio is not computed

48. 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 not entered into any transactions with the companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956 (31 March 2025: 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 2026 (31 March 2025: Nil).

Notes forming part of the Consolidated Financial Statements

(All amounts are in millions of Indian Rupees, unless otherwise stated)

48. Additional disclosures under Schedule III Division II of the Companies Act (Contd..)

- f) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Indian Entities to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Indian Entities (Ultimate Beneficiaries). The Indian Entities has not received any fund from any party(s) (Funding Party) with the understanding that the Indian Entities shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Indian Entities ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries (31 March 2025: Nil).
- g) The Indian entities are using IFS ERP (accounting software) for maintaining books of accounts. Audit trail was operational throughout the year and audit trial backup has been preserved as required under Act, except for two Indian Entities for the previous year as it was maintained in electronic form.
- h) Effective November 21, 2025, the Government of India has consolidated multiple existing labour legislations into a unified framework comprising four Labour Codes collectively referred to as the 'New Labour Codes'. Under Indian Accounting Standard 19 "Employee Benefits", changes to employee benefit plans arising from legislative amendments constitute a plan amendment, requiring recognition of past service cost immediately in the statement of profit and loss. The New Labour Codes has resulted in estimated one time increase in provision for employee benefits of ₹ 47 Millions and the same has been recognized as an Exceptional Items in the Consolidated Statement of Profit and Loss for the year ended 31 March 2026. The Government of India is in the process of notifying related rules to the New Labour Codes and impact of these will be evaluated and accounted for in accordance with applicable accounting standards in the period in which they are notified.

49. 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 49 form an integral part of these consolidated financial statements

In terms of our report of even date attached

For Sharp & Tannan
Chartered Accountants
Firm's Registration No.: 003792S

P Rajesh Kumar
Partner
(Membership No.: 225366)

Place : Chennai
Date : 21 May 2026

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 2026

Milin Mehta
Director
(DIN : 01297508)

Anup Kumar Samal
Company Secretary
(Membership No: F4832)

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, India

E-mail: companysecretary@wabag.in | Website: www.wabag.com | Phone: 044 6123 2323 | Fax: 044 6123 2324

NOTICE

NOTICE is hereby given that the Thirty-first (31st) Annual General Meeting ("AGM") of the Members of VA TECH WABAG LIMITED ("the Company") will be held on **Wednesday, August 12, 2026 at 4.30 P.M. (IST)**, through video conferencing / other audio visual means ("VC/OAVM") to transact the following business:

ORDINARY BUSINESS

1. Adoption of Financial Statements

- To consider and adopt the audited standalone financial statements of VA TECH WABAG LIMITED ("the Company") for the financial year ended March 31, 2026, together with the reports of the Board of Directors of the Company and the Auditors thereon; and
- To consider and adopt the audited consolidated financial statements of VA TECH WABAG LIMITED ("the Company") for the financial year ended March 31, 2026, together with the report of the Auditors thereon.

2. Declaration of Dividend

To declare a final dividend of INR 5/- per equity share for the financial year ended March 31, 2026.

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

To appoint a Director in place of Mr. S. Varadarajan (DIN:02353065), who retires by rotation and being eligible, seeks re-appointment.

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

4. Approval for remuneration payable to Mr. Rohan Mittal, Related Party, holding office or place of profit

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

"RESOLVED THAT pursuant to the provisions of Section 188(1)(f) of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof for the time being in force), on the recommendations and approvals of the Nomination & Remuneration Committee, the Audit Committee and the Board of Directors, the consent of the Members, be and is hereby accorded for the remuneration payable to Mr. Rohan Mittal, (Promoter Group), a related party holding office or place of profit, being the relative of the Promoter and Chairman & Managing Director of the Company who was appointed as the Key Managerial Personnel and Senior Management Personnel in the capacity of "Head - Strategy & Business Growth, GCC Region", or such other designation as the Board of Directors of the Company may decide from time to time, for an amount not exceeding INR 1,50,00,000/- (Indian Rupees One Crore and Fifty Lakhs only) per annum, as detailed in the Explanatory Statement attached hereto, for a period of three (3) years effective from September 01, 2026."

"RESOLVED FURTHER THAT the Board of Directors, as per the recommendations of the Nomination and Remuneration Committee and the Audit Committee, be and is hereby authorised to alter and vary the terms and conditions of the said appointment and remuneration from time to time, in accordance with the provisions of the Companies Act, 2013, to effect change in designation and responsibilities of the person holding office or place of profit within the maximum limits approved by the Members of the Company."

"RESOLVED FURTHER THAT the Board of Directors of the Company (including its Committees thereof), be and is hereby authorized to do all such acts, deeds, matters and things as may be deemed proper, necessary, or expedient, including filing the requisite forms or submission of documents with any authority or accepting any modifications as required by such authorities, for the purpose of giving effect to this resolution and for matters connected therewith, or incidental thereto."

5. Ratification of Remuneration payable to the Cost Auditor for the Financial Year 2025-26

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 5,50,000/- (Indian Rupees Five Lakhs and Fifty Thousand 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 2025-26, 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 is 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. Appointment of Mr. Samaresh Parida (DIN:01853823), as an Independent Director of the Company

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

"RESOLVED THAT pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), Circulars, Orders and Notifications issued thereunder, read with

the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Articles of Association of the Company, Mr. Samaresh Parida (DIN:01853823) who was appointed as an Additional Director of the Company in the capacity of the Independent Director by the Board of Directors effective from June 26, 2026, as recommended by the Nomination and Remuneration Committee and who holds office upto the date of this Annual General Meeting, and who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1)(b) of the SEBI LODR and being eligible for appointment and who has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Non-Executive Independent Director of the Company to hold office for a period of three (3) consecutive years, i.e. from June 26, 2026 upto June 25, 2029 (both days inclusive) and he shall not be liable to retire by rotation."

"RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as "the Board" which term shall deem to include the Nomination and Remuneration Committee of the Board), be and is 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."

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

Anup Kumar Samal

Company Secretary & Compliance Officer
Membership No.: FCS 4832

Date: June 26, 2026
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

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. 3, 4, 5 and 6 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 issued by the Institute of Company Secretaries of India ("ICSI"), in respect of the Directors seeking appointment / re-appointment at this AGM is furnished and forms part of the notice. There are no inter-se relationships between the Board Members. The Director has furnished requisite consent(s) and declaration(s) for the said appointment / re-appointment.
3. The Members whose shareholding is in demat mode are requested to notify any change in address or bank account details to their respective depository participant(s) (DP). The Members whose shareholding is in physical mode are requested to opt for the Electronic Clearing System (ECS) mode to receive dividend on time in line with the SEBI Circulars issued from time to time. We urge the Members to utilize the ECS for receiving dividends. Please refer to point no. 8 for the process to be followed for updating bank account details.
4. The Members may note that the Board, at its meeting held on May 21, 2026, has recommended a final dividend of INR 5/- per equity share for the financial year ended March 31, 2026. The record date for the purpose of determining list of Members eligible to receive the final dividend is fixed as **Friday, July 17, 2026**. The final dividend, once approved by the Members in the ensuing AGM, will be paid on or before September 10, 2026, through various modes. To avoid delay in receiving dividend, the Members are requested to update their KYC with their depositories (where shares are held in dematerialized mode) and with the Company's Registrar to an Issue and Share Transfer Agent (RTA) (where shares are held in physical mode) to receive the dividend directly into their bank account on the pay-out date.
5. The Members may note that the Income-tax Act, 2025, ("the IT Act") as amended by the Finance Act, 2026, mandates that dividend paid or distributed by a company on or after April 1, 2020 shall be taxable in the hands of the Members. The Company shall therefore be required to deduct tax at source (TDS) at the time of payment of final dividend. To enable us to determine the appropriate TDS rate as applicable, the Members are requested to submit relevant documents, as specified in the below paragraphs, in accordance with the provisions of the IT Act.

For resident Shareholders, taxes shall be deducted at source under Section 393(1) of the IT Act as follows:

Members having valid Permanent Account Number (PAN)	10%* or as notified by the Government of India (GOI)
Members not having PAN / valid PAN	20% or as notified by the GOI

* As per the IT Act, every person who has been allotted a PAN and who is eligible to obtain Aadhaar, shall be required to link the PAN with Aadhaar. In case of failure to comply with this, the PAN allotted shall be deemed to be invalid / inoperative and he/she shall be held liable for all consequences under the IT Act and tax shall be deducted at the higher rates as provided in Section 397(2) of the IT Act, 2025 i.e. at 20%.

However, no tax shall be deducted on the dividend payable to resident individual Shareholders if the total dividend to be received by them during FY 2026-27 does not exceed INR 10,000/- and also in cases where the Members provide Form 121, subject to conditions specified in the IT Act. Resident Shareholders may also submit any other document as prescribed under the IT Act to claim a lower / nil withholding of tax. PAN is mandatory for the Members providing Form 121 or any other document as mentioned above.

For non-resident Shareholders, taxes are required to be withheld in accordance with the provisions of Section 393(2) and other applicable sections of the IT Act, at the rates in force. The withholding tax shall be at the rate of 20% (plus applicable surcharge and cess) or as notified by the GOI on the amount of dividend payable. However, as per Section 159 of the IT Act, non-resident Shareholders have the option to be governed by the provisions of the Double Taxation Avoidance Agreement (DTAA), read with Multilateral Instrument (MLI), between India and the country of tax residence of the Shareholders, if they are more beneficial to them. For this purpose, i.e. to avail the benefits under the DTAA read with MLI, non-resident Shareholders will have to provide the following:

- Copy of the PAN card allotted by the Indian income tax authorities duly attested by the Shareholders or details as prescribed under rule 217 of the Income-tax Rules, 2026
- Copy of the Tax Residency Certificate for FY 2026-27 obtained from the revenue or tax authorities of the country of tax residence, duly attested by the Shareholders / authorized signatory
- E-filed Form 41

- Self-declaration by the Shareholders of having no permanent establishment in India in accordance with the applicable tax treaty
- Self-declaration of beneficial ownership by the non-resident shareholder
- Any other documents as prescribed under the IT Act for lower withholding of taxes, if applicable, duly attested by the Shareholders

In case of Foreign Institutional Investors (FII) / Foreign Portfolio Investors (FPI), tax will be deducted under Section 393(2) of the IT Act at the rate of 20% (plus applicable surcharge and cess) or the rate provided in relevant DTAA, read with MLI, whichever is more beneficial, subject to the submission of the above documents, if applicable.

The aforementioned documents are required to be uploaded on the shareholder portal at https://cambridge.cameoindia.com/Module/Downloadable_Formats.aspx on or before **July 20, 2026**. The Members are requested to visit www.wabag.com for more instructions and information on this subject. No communication would be accepted from the Members after July 20, 2026 regarding tax-withholding matters. The Shareholders may write to Investor@cameoindia.com / companysecretary@wabag.in for any clarifications on this subject.

The Shareholders can check their tax credit in Form 168 from the e-filing account at <https://www.incometax.gov.in/iec/foportal> or "View Your Tax Credit" on <https://www.tdscpc.gov.in>.

- The Members are requested to address all correspondence, including dividend-related matters, to the Registrar to an Issue and Share Transfer Agent (RTA), 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.

7. General instructions for accessing and participating in the 31st AGM through VC/OAVM facility and voting through electronic means including remote e-Voting.

- As per the Ministry of Corporate Affairs ("MCA") General Circular Nos. 03/2025 dated September 22, 2025, 09/2024 dated September 19, 2024 and 14/2020 dated April 08, 2020 (referred to as "MCA Circular(s)") read with the SEBI Circular No. SEBI/ HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated October 03, 2024 (referred to as "SEBI Circular(s)"), and in compliance with the provisions of the Act and the SEBI LODR, the 31st 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 31st AGM shall be the Registered Office of the Company.

- 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 31ST AGM THROUGH VC/OAVM FACILITY AND E-VOTING DURING THE 31ST AGM.

- 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 evoting@nsdl.com and our Registrar to an Issue and Share Transfer Agent (RTA) investor@cameoindia.com. The scanned image of the above mentioned documents should be in the naming format "**Corporate Name Event No.**". The Institutional Members/Corporate Members can also upload their Board Resolution/Power of Attorney/Authority Letter, by clicking on "Upload Board Resolution/Authority letter", etc. displayed under 'e-Voting' tab in their Login.
- In compliance with the aforesaid MCA Circular and SEBI Circular, Notice of 31st AGM along with the Annual Report for the FY 2025-26 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. The Members may note that the Notice and Annual Report for FY 2025-26 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 to an Issue and Share Transfer Agent at www.cameoindia.com. This AGM notice shall be disseminated on the website of NSDL (agency appointed for providing the Remote e-Voting facility and e-Voting system during the AGM) i.e. www.evoting.nsdl.com.

- e. The register of Members and share transfer books will remain closed from **Thursday, August 06, 2026 to Wednesday, August 12, 2026 (both days inclusive)** for the 31st AGM scheduled to be held on Wednesday, August 12, 2026.
- f. The scanned copy of the 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.evoting.nsdl.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. National Securities Depository Limited ("NSDL") will be providing the facilities for remote e-Voting, for AGM participation through VC/OAVM mode and e-Voting during the 31st AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized e-Voting agency.
- i. The Members may join the 31st AGM through VC/ OAVM mode by following the procedure as mentioned in point No. 16, which shall be kept open for the Members from 4.00 P.M. (IST) i.e. thirty (30) minutes before the scheduled time to start the 31st AGM and the Company may close the window for joining the VC/OAVM facility thirty (30) minutes after the scheduled time to start the 31st 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 31st 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 Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended, the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time

to time, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM.

8. **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. The 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 the 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(s). The said Form(s) can be downloaded from the Company's website www.wabag.com.**
9. **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, if any, 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 transfer to unpaid dividend account 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, the 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 2025-26, the Company has transferred to the IEPF Authority, the unclaimed dividend for the FY 2017-18 amounting to INR 3,00,932/- pertaining to 878 Members and 5839 shares pertaining to 161 Members in respect of whom dividend had remained unclaimed for seven (7) consecutive years.

The unclaimed dividend amount 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 the Members having unclaimed / unpaid dividend(s) and share(s) before transfer of such dividend(s) and share(s) to the IEPF Authority. The 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 encash them before the unclaimed amount / shares transferred to the 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, 2026 on the website of the Company www.wabag.com and such details are available with the Ministry of Corporate Affairs.

Registrar to an Issue and Share Transfer Agent (RTA)

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) is the RTA of the Company for the equity shares pursuant to Regulation 7 of the SEBI LODR.

10. 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/Master Circular dated May 17, 2023. The Members are requested to submit their PAN, KYC and nomination details to the Company's RTA. The 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. The Members holding shares in physical form can submit their PAN to the Company / RTA.

As per earlier requirement, in case a physical Shareholder 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/POD1/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.

11. 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. The 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.
12. 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.
13. The Company is concerned about the environment and utilises natural resources in a sustainable way. The 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. In terms of Regulation 36(1)(b) of the SEBI LODR, a letter providing the web-link, including the exact path, where complete details of the Annual Report is available will be sent to those Shareholder(s) who have not registered their e-mail address(es) with the Company or with the depository. The 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/>.
14. The 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, the 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 its 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>.

15. 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 its Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 in relation to e-Voting facility provided by the 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 NSDL, 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 the e-Voting process. The Members are advised to update their mobile number and e-mail ID with their DPs to access the e-Voting facility.
- iv. The remote e-Voting period commences on **Friday, August 07, 2026 from 9.00 A.M. (IST) and ends on Tuesday, August 11, 2026 at 5.00 P.M. (IST)**. During this period, the Members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e., **Wednesday, August 05, 2026**, 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 cast 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 05, 2026**. 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 no 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 evoting@nsdl.com. However, if such Member is already registered with RTA for remote e-Voting then such Member can use the 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 cast 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 NSDL at www.evoting.nsdl.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 12, 2026**.
- iv. The voting rights of the Members shall be in proportion to their shareholding in the paid-up equity share capital of the Company as on the cut-off date.
- v. In line with the MCA's Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.wabag.com. The Notice can also be accessed from the 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 the AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com (agency for providing the e-Voting and Video Conferencing facility).

- 17. Effective April 1, 2024, the SEBI has mandated that the Shareholders, who hold shares in physical mode and whose folios are not updated with any of the KYC details [viz., (i) PAN (ii) Choice of Nomination (iii) Contact Details (iv) Mobile Number (v) Bank Account Details and (vi) Signature], shall be eligible to get dividend only in electronic mode. Accordingly, payment of final dividend, subject to approval at the AGM, shall be paid to physical holders only after the above details are updated in their folios. The Shareholders are requested to complete their KYC by writing to the Company's RTA (Cameo), at <https://wisdom.cameoindia.com/>. The Forms for updating the same are available at www.wabag.com.

16. Procedure for Remote E-Voting

- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), the Secretarial Standard on General Meetings (SS-2) issued by the ICSI and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs from time to time, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as e-Voting on the date of the AGM will be provided by the NSDL.
- 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. The Members are advised to update their mobile number and e-mail ID with their DPs to access e-Voting facility.

THE INSTRUCTIONS FOR THE MEMBERS FOR REMOTE E-VOTING AND JOINING THE ANNUAL GENERAL MEETING ARE AS UNDER:-

The remote e-Voting period begins on **Friday, August 07, 2026, at 9.00 A.M. IST** and ends on **Tuesday, August 11, 2026, at 5.00 P.M. IST**. The remote e-Voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **Wednesday, August 05, 2026** may cast their vote electronically. The voting right of the Shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date.

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A. Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode

In terms of the SEBI Circular dated December 9, 2020 on e-Voting facility provided by the listed companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with the Depositories and Depository Participants. The Shareholders are advised to update their mobile number and e-mail ID in their demat accounts in order to access e-Voting facility.

Login method for Individual Shareholders holding securities in demat mode is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	- For OTP based login you can click on https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added 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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - If you are 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 - 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 held 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. - The Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. NSDL Mobile App is available on    
Individual Shareholders holding securities in demat mode with CDSL	- 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 Easi /Easiest are requested to visit CDSL website www.cdslindia.com and click on login icon & New System Myeasi Tab and then use your existing Myeasi username & password. - 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 the 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. - 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. - Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from an e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & e-mail ID 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 Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL 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 above mentioned website.

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	The Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call at 022 - 4886 7000
Individual Shareholders holding securities in demat mode with CDSL	The 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. 1800-21-09911

B) Login Method for e-Voting and joining virtual meeting for the Shareholders other than Individual Shareholders holding securities in demat mode and the Shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

- 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, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

- Your User ID details are given below:

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example, if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company. For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

- Password details for the Shareholders other than Individual Shareholders are given below:

 - If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - How to retrieve your 'initial password'?
 - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - If your email ID is not registered, please follow steps mentioned below in **process for those Shareholders whose email ids are not registered.**
- If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - Physical User Reset Password?** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - If you are still unable to get the password by aforesaid two options, you can send a request at evoting@

nsdl.com mentioning your demat account number/ folio number, your PAN, your name and your registered address etc.

- d) The Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for the Shareholders

1. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to KJR@mdassociates.co.in with a copy marked to evoting@nsdl.com. Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for the Shareholders and e-Voting user manual for the Shareholders available at the download section of www.evoting.nsdl.com or call on: 022 - 4886 7000 or send a request to Ms. Prajakta Pawle at evoting@nsdl.com.

Process for those Shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-Voting for the resolutions set out in this notice:

1. In case shares are held in physical mode, please provide Folio No., Name of the Shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to companysecretary@wabag.in.
2. In case shares are held in demat mode, please provide DP ID – CLIENT ID (16 digit DP ID + CLIENT ID or 16-digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to companysecretary@wabag.in. If you are an Individual Shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. **Login method for e-Voting and joining virtual meeting for Individual Shareholders holding securities in demat mode.**
3. Alternatively the Shareholder / Member may send a request to evoting@nsdl.com for procuring user ID and password for e-Voting by providing above mentioned documents.
4. In terms of the SEBI Circular dated December 9, 2020 on e-Voting facility provided by the listed companies, Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with the Depositories and Depository Participants. The Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR THE MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.

2. Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast 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 in the AGM.
3. The Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR THE MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. The Members will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. The Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in the Shareholder / Member login where the EVEN of Company will be displayed. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. The Members are encouraged to join the Meeting through Laptops for better experience.
3. Further the Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. 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.
5. The Members who would like to express their views/have questions may send their queries in advance at least **7 days prior**

to the 31st AGM i.e. till Tuesday, August 04, 2026 mentioning their name, demat account number/folio number, e-mail id, mobile number to companysecretary@wabag.in. These queries will be replied by the Company by e-mail or answered during the AGM suitably.

6. The 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 at least **4 days prior to the 31st AGM i.e., till Friday, August 07, 2026** mentioning their name, demat account number/folio number, e-mail id, mobile number to companysecretary@wabag.in.
7. Those Members who have registered themselves as a speaker will only be allowed to express their views / ask questions during the meeting.
8. Only those Members, who are present in the AGM through VC/OAVM facility and have not cast 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.
9. 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.**

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 31st AGM:

Item No. 3

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, as per the provisions contained in the Article 108 of the Articles of Association of the Company. 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. 3 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. 3 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. 3 of the notice for approval of the Members.

Brief resume 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 29 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 40 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. 4

Approval for remuneration payable to Mr. Rohan Mittal, Related Party, holding office or place of profit

Mr. Rohan Mittal, over the years, has held various positions in the Projects and Sales & Marketing department of the Company and elevated to the role of Head - Strategy & Business Growth, GCC during the FY 2023-24, spearheading business opportunities in the Middle East Region.

Mr. Rohan currently heads "Strategy and Business Growth" for the GCC Region (MEA Cluster) and plays a critical role in the Company's MEA cluster and overall business growth. He is actively involved in strategic decision-making, regularly engages with key stakeholders including the investors, customers, and vendors, and participates periodical Board Meetings of the Company. He is responsible for overseeing key operational and strategic activities in the GCC/MEA Region.

Considering the significance of his role and responsibilities, the Board of Directors of the Company, based on the evaluation and recommendation of the Nomination and Remuneration Committee and the Audit Committee at their meetings held on May 20, 2026 and May 21, 2026:

- a. nominated Mr. Rohan Mittal as the Key Managerial Personnel (KMP) by including him as part of the Senior Management of the Company and re-designating him as Head - Strategy & Business Growth, GCC (Key Managerial Personnel & Senior Management Personnel); and
- b. approved and recommended for the approval of the Members by way of an Ordinary Resolution, a remuneration of an amount not exceeding INR 1,50,00,000/- (Indian Rupees One Crore and Fifty Lakhs only) per annum, for a period of three (3) years effective from September 01, 2026.

The annual remuneration will be paid as per the HR Policies and Rules of the Company, which *inter-alia* includes the following components:

- Basic Salary / Special / Additional Allowance / Performance Pay / HRA / Company Leased Accommodation / Medical Expenses Reimbursement / Life Insurance / Personal Accident Insurance / Leave Travel Concession / Encashment of leave, contribution to various statutory funds, provision of car and telephone at his residence for his use, other amenities and benefits / Other Allowances / Perquisites

None of the Directors and/or Key Managerial Personnel of the Company and their relatives thereof except Mr. Rajiv Mittal (Father of Mr. Rohan Mittal), Chairman & Managing Director and also the Promoter of the Company is concerned or interested financially or otherwise in the resolution at Item no. 4 of this notice.

The provisions of Section 188(1) of the Companies Act, 2013 which governs the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases approval of the Shareholders.

Hence, the Board recommends the Ordinary Resolution set out at Item No. 4 of the notice for approval by the Members of the Company

Brief resume of Mr. Rohan Mittal:

Mr. Rohan Mittal is a graduate in B.Tech Chemical Engineering from Alagappa College of Technology. He also holds a certification in Critical Analytical Thinking from Stanford Graduate School of Business and a Global Master Certificate in Integrated Supply Chain Management from Michigan State University.

Mr. Rohan Mittal, an agile and passionate water industry professional with close to eight years of experience at VA TECH WABAG Limited, plays a key role in shaping WABAG's strategic direction, business expansion and market positioning across the Gulf Cooperation Council (GCC) Region.

In his current role, Mr. Rohan is responsible for driving regional growth strategies, identifying new market opportunities and supporting the execution of large and complex water infrastructure projects. Under his leadership, the GCC Region has emerged as a significant growth market for WABAG, reflecting his focused and consistent leadership efforts. He has been instrumental in securing several landmark projects in the Middle East, including major desalination and wastewater treatment facilities such as Al-Haer ISTP, Yanbu SWRO, Hadda ISTP, Al Jouf BWRO, Doha SWRO at Kuwait, Ajman STP and many other where WABAG is a preferential bidder. He also plays a key role in the development of the CIS market for WABAG.

Mr. Rohan's professional journey at WABAG has provided him with broad exposure across engineering, proposals, strategy and leadership support functions. He brings a strong understanding of process design, plant development and project delivery, complemented by sound strategic and managerial insight.

During his tenure with the India Cluster, he played a critical role in the successful execution of the Koyambedu TTRO project, one of India's largest TTRO plants and in securing the 400 MLD Perur SWRO project, South-East Asia's largest desalination plant.

His contributions to high-impact initiatives reflects his ability to translate advanced technologies into scalable and sustainable infrastructure solutions that address pressing water scarcity challenges.

In recognition of his contributions to process and plant development in the water sector, Mr. Rohan Mittal was conferred the NOCIL Award for Excellence in Design or Development of Process, Plant and Equipment – 2025 by the Indian Institute of Chemical Engineers, on the occasion of CHEMCON 2025.

Item No. 5

Ratification of remuneration payable to the Cost Auditor for the FY 2025-26

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 2025-26.

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 of INR 5.50 Lakhs per annum plus applicable taxes payable to the Cost Auditor for the FY 2025-26 has to be ratified by the Members of the Company. Remuneration as recommended and approved by the Audit Committee and the Board of Directors of the Company is well justified considering the qualification, experience and scope of work of the Cost Auditors.

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, 2026.

None of the Directors and Key Managerial Personnel of the Company and / 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 the ratification or approval by the Members.

Item No. 6

Appointment of Mr. Samaresh Parida (DIN:01853823), as an Independent Director of the Company

Pursuant to Section 161 of the Act, read with Article 101 of Articles of Association of the Company and based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors ("Board") at their meeting held on June 26, 2026 had appointed Mr. Samaresh Parida (DIN:01853823), as an Additional Director in the capacity of the Independent Director of the Company with immediate effect i.e. June 26, 2026, to hold office till the conclusion of the 31st Annual General Meeting and subject to the approval of the Members at the 31st Annual General Meeting, appointment as an Independent Director to hold office for the first term of three (3) consecutive years, from June 26, 2026 to June 25, 2029, on such terms and conditions as the Board may determine and agreeable to Mr. Samaresh Parida.

The Company has received notice in writing under the provisions of Section 160 of the Act, from a Member proposing the candidature of Mr. Samaresh Parida, for the office of the Independent Director to be appointed as such under the provisions of Section 149 of the Act and Regulations 16, 17 and 25 of the SEBI LODR.

The Company has received from Mr. Samaresh Parida (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualifications of Directors) Rules 2014, (ii) 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 sub-section (2) of Section 164 of the Act, and (iii) a declaration to the effect that he meets the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI LODR.

Pursuant to Section 149 and other applicable provisions of the Act, Rules made thereunder and the SEBI LODR, the resolution as set out at Item No. 6 seeks approval of the Members for the appointment of Mr. Samaresh Parida (DIN: 01853823) as an Independent Director of the Company for an initial term of term of three (3) consecutive years, from June 26, 2026 to June 25, 2029. He will not be liable to retire by rotation.

Mr. Samaresh Parida will be entitled to receive the Non-Executive Director remuneration in the form of 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, as approved by the Members of the Company earlier and as per the Nomination, Evaluation & Remuneration Policy of the Company, which shall be decided by the Board of Directors, from time to time.

In the opinion of the Board and based on its evaluation, Mr. Samaresh Parida, the Independent Director proposed to be appointed, fulfils the conditions specified in the Act and the Rules made thereunder and he is Independent of the Management. A brief resume of Mr. Samaresh Parida, nature of his expertise in specific functional areas, names of companies in which he holds Directorship and Membership/ Chairmanship of the Board Committees, shareholding and relationships amongst the Directors' inter-se, as stipulated under the SEBI LODR and the Act, are provided in this notice.

A copy of the draft letter for the appointment of Mr. Samaresh Parida, as an 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.

Except Mr. Samaresh Parida, 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.6 of the accompanying notice. Mr. Samaresh Parida is not related to any Director, Promoter and KMPs of the Company. The Board recommends the Special Resolution set out at Item No. 6 of the notice for approval by the Members.

Brief resume of Mr. Samaresh Parida:

Mr. Samaresh Parida (aged about 65 years), a Chartered Accountant, a Cost Accountant and MBA from Indian Institute of Management, Ahmedabad, is a Board Leader with 40+ years of global experience (in various capacity as an Independent Director, Audit Committee Chairman, Business Strategist and Compliance & Governance Advisor) across strategy, finance, governance, M&A, and business transformation in Banking, Telecom, FMCG, Automotive, Manufacturing, and Technology across India, USA, Latin America, and Russia;

He acted as an Independent Director (including Chairman of the Audit Committee) in IDBI Bank Limited (from August 13, 2018 till May 18, 2026) and was overseeing financial reporting, controls and regulatory compliance and closely involved with evaluation of project financing for specific projects and evaluation of infra companies for corporate loans;

Since May 04, 2026, he is acting as an Independent Director (Audit Committee Chairman) in a Danish MNC (Carlsberg India Limited) with role in Strategic growth, governance, compliance in IPO journey;

Since August 27, 2022, he is acting as an Independent Director (as Audit Committee Chairman) in Shaily Engineering Plastics Limited and contributing to strategy, governance enhancement and leadership mentoring with significant value creation;

Since October 26, 2024, he is acting as an Independent Director (Chairman of the Audit Committee) in Sudeep Pharma Limited and advising on strategy, governance, in addition to overseeing the IPO and listing;

Prior Leadership Roles - He acted as:

- Executive Director - Strategy, Vodafone Group;
- CFO & Finance Director - Global Strategic Initiatives, PepsiCo, New York;
- CFO - LCV Business India, Toyota Motor Corporation;
- Management Consultant, Accenture;

He currently advises clients across Telecom, FMCG, Technology, Manufacturing, and Pharmaceuticals in India, USA, and UK.

Given his extensive expertise in financial oversight, risk management, regulatory compliance, and strategic transformation, the Board considers his appointment as an Independent Director to be of immense value to the Company.

DETAILS OF DIRECTOR SEEKING APPOINTMENT / RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 (3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND APPLICABLE SECRETARIAL STANDARDS

Name of Director	Mr. S. Varadarajan	Mr. Samaresh Parida
DIN	02353065	01853823
Date of Birth	September 23, 1965	September 01, 1960
Age	60 years	65 years
Date of first Appointment	June 24, 2015	June 26, 2026
Qualifications	B. Com, P.G. (Public Administration), CMA & CS	MBA (Indian Institute of Management Ahmedabad), Chartered Accountant & Cost Accountant
Nature of Expertise in specific functional area	Finance and Accounts	Business Strategy • Audit Committee Leadership • Financial Inclusion • Governance & Risk • M&A • Business Transformation • Regulatory & Compliance Oversight
Brief Resume	Refer Explanatory Statement to Item No. 3	Refer Explanatory Statement to Item No. 6
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	Refer Explanatory Statement to Item No. 6
Terms and condition of appointment / re-appointment including proposed remuneration	Refer Explanatory Statement to Item No. 3	Refer Explanatory Statement to Item No. 6
Details of Remuneration for FY 2025-26	INR 3,18,37,829/-	NA
Directorships in other companies (excluding foreign companies, & Section 8 companies)	Nil	1) Tiivra Ventures Private Limited 2) Shaily Engineering Plastics Limited 3) Matrix Comsec Private Limited 4) Sudeep Nutrition Private Limited 5) Sudeep Pharma Limited 6) Carlsberg India Limited
Listed entities from which the Director has resigned in the past three (3) years	Nil	IDBI Bank Limited (Date of Cessation: May 18, 2026)

Membership of Committees/ Chairmanship in other Companies (Regulation 26(1) of the SEBI LODR

Audit Committee:

- 1) Shaily Engineering Plastics Limited
- 2) Sudeep Pharma Limited

Stakeholders Relationship Committee:

Shaily Engineering Plastics Limited
Nil

Membership of Committees/Chairmanship in VA TECH WABAG LIMITED

Member

1. Stakeholders Relationship Committee
2. Risk Management & Monitoring Committee
3. Corporate Social Responsibility Committee
4. Sustainability Committee
5. Capital Allocation Committee

No. of Board Meetings attended during the year

5/5

NA

No. of Equity Shares held:

1) Own

21,85,762

Nil

2) Beneficial basis

Nil

Nil

Relationships between Directors inter-se

Nil

Nil

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

Anup Kumar Samal

Company Secretary & Compliance Officer
Membership No.: FCS 4832

Date: June 26, 2026

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

Information at a glance

Particulars	Details
Time and date of AGM	Wednesday, August 12, 2026 at 4.30 P.M. (IST)
Mode	Video Conference and Other Audio-Visual Means (VC/OAVM)
Website for VC/OAVM	https://www.evoting.nsdl.com/
Helpline number for VC participation	022 - 48867000
Information of tax on dividend	https://www.wabag.com/investor-communications/
Record date for Dividend	Friday, July 17, 2026
Cut-off date for e-Voting	Wednesday, August 05, 2026
E-voting start time and date	9.00 A.M. IST, Friday, August 07, 2026
E-voting end time and date	5:00 P.M. IST, Tuesday, August 11, 2026
Name, address and contact details of e-Voting service provider	National Securities Depository Limited 301, 3 rd Floor, Naman Chambers G Block, Plot No. C - 32, Bandra Kurla Complex, Bandra East Mumbai - 400051 Email ID - evoting@nsdl.com Contact No. 022 - 4886 7000
Name, address and contact details of Registrar to an Issue and Share Transfer Agent (for Equity Shares)	Cameo Corporate Services Limited Subramanian Building, 1, Club House Road, Anna Salai, Chennai – 600002, Tamil Nadu Toll free no. 044 4002 0700 E-mail ID: investor@cameoindia.com Investor Portal: https://wisdom.cameoindia.com/

Notes

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Corporate Information

Registered & Corporate Office

VA TECH WABAG LIMITED

'WABAG House, No.17, 200 Feet
Thoraipakkam – Pallavaram Main Road,
Sunnambu Kolathur, Chennai - 600 117, Tamil Nadu, India.
P: +91 44 6123 2323
Fax: +91 44 6123 2324
Email : companysecretary@wabag.in
Website: www.wabag.com

Registrar and Transfer Agent

Cameo Corporate Services Limited

Subramanian Building, No. 1,
Club House Road, Anna Salai,
Chennai - 600002, Tamil Nadu, India.
P: +91 44 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: +91 44 2827 4368

Internal Auditors

PKF Sridhar & Santhanam LLP

Chartered Accountants
KRD Gee Crystal, No. 91-92,
7th Floor, Dr. Radhakrishnan Salai,
Mylapore, Chennai – 600004,
Tamil Nadu, India.
P: +91 44 2811 2985

Corporate Assurance Team

VA TECH WABAG LIMITED

Secretarial Auditors

M. Damodaran & Associates LLP

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

Banks/Financial Institutions

State Bank of India
Export Import Bank of India
Bank of Baroda
Punjab National Bank
UCO Bank Limited
ICICI Bank
Federal Bank
Union Bank of India
IndusInd Bank
HSBC Bank
Canara Bank
IDBI Bank
Asian Development Bank
Karnataka Bank
First Abu Dhabi Bank



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VA TECH WABAG LIMITED

