

Independent Auditor's Report

To
The Members of
Welspun Michigan Engineers Limited (formerly known as Welspun Michigan Engineers Private Limited)

Report on the audit of financial statements

1. Opinion

We have audited the accompanying financial statements of **Welspun Michigan Engineers Limited** (formerly known as Welspun Michigan Engineers Private Limited) ('the Company'), which includes 18 joint operations accounted on proportionate basis, which comprise the balance sheet as at 31 March 2025, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the joint operations referred to in the Other Matters paragraph below, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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 state of affairs of the Company as at 31 March 2025, and its profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

2. Basis for opinion

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

3. Other information

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

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



In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

4. Management's responsibility for the financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

5. Auditor's responsibility for the audit of the financial statements

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the Company and its joint operations to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the financial statements of which we are the independent auditors. For the other entities included in the 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.

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.

6. Other matters

- a) We did not audit the financial statements, in respect of 18 joint operations, whose audited financial statements reflects Company's share of total assets of Rs. 9,254.98 lakhs as at 31 March 2025, total revenue of Rs. 27,827.89 lakhs, and total net profit after tax of Rs. 656.65 lakhs for the year ended 31 March 2025 respectively and total cash inflows of Rs. 33.31 lakhs for the year ended 31 March 2025 as considered in the financial statements. The financial statements of these joint operations have been audited by the other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of these joint operations and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid joint operations, is based solely on the report of such other auditors.
- b) The audited financial statements of the Company for the year ended 31 March 2024, included in the accompanying financial statements were audited by Vatsaraj & Co, whose report dated 17 May 2024 expressed an unmodified opinion on those audited financial statements.

Our opinion on the financial statements is not modified in respect of these matters.

7. Report on other Legal and Regulatory requirements

- A. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.

B. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the joint operations, referred to in the 'Other Matters' section above we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) On the basis of written representations received from the directors of the Company as on 31 March 2025 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act read with Schedule V of the Act and the rules thereunder.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements (Refer note 48 of the financial statements);
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts; and
 - iii. There are no 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, as disclosed in note 65(g)(i) to the financial statements, 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 or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in note 65(g)(ii) to the financial statements, no funds 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 representations under sub clause (i) and (ii) of the Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. No dividend has been declared or paid by the Company during the financial year covered by our audit.
- vi. Based on our examination, which included test checks, the Company has used accounting software(s) for maintaining its books of account for the financial year ended 31 March 2025 which have the feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software systems. Further, during the course of our audit we did not come across any instance of the audit trail feature being tampered with and the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Amit Kothari

Amit Kumar Kothari

Partner

Membership Number 222726

Mumbai, 13 May 2025

UDIN: 25222726BMNYCO5239



Annexure - A to the Independent Auditor's Report

Annexure referred to in paragraph 7(A) under "Report on other Legal and Regulatory requirements" of our Report of even date to the members of the Company on the financial statements for the year ended 31 March 2025, we report that:

- i. (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and there are no rights-of-use assets.
(B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, all the property, plant and equipment have been physically verified by the management during the year, which in our opinion, is reasonable having regard to the size of the Company and nature of its assets. Discrepancies noticed have been properly dealt with in the books of accounts.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company as at the balance sheet date. The Company does not have right-of-use assets as at the balance sheet date.
- (d) According to the information and explanations given to us, the Company has not revalued its Property, Plant and Equipment and intangible assets during the year. Hence, reporting under clause 3(i)(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 as at 31 March 2025, no proceedings have been initiated or are pending against the Company as at 31 March 2025 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) (45 of 1988) and rules made thereunder. Hence, reporting under clause 3(i)(e) of the Order is not applicable to the Company.
- ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management are appropriate. Discrepancies noticed on such verification between the physical stocks and the book records, which are not material have been properly dealt in the books of account.
- (b) As disclosed in Note 59 to the financial statements and according to the information and explanations provided to us, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks on the basis of security of current assets of the Company. Based on the records examined by us, the quarterly returns/statements filed by the Company with such banks are not in agreement with the unaudited/ audited books of accounts of the Company and the details are as follows:

(Rs. In Lakhs)			
Quarter Ended	Amount as per books of accounts	Amount as reported in statement	Discrepancy #
30 June 2024	17,260.78	14,539.79	2,720.99
30 September 2024	18,825.30	15,723.35	3,101.95
31 December 2024	20,685.45	16,879.71	3,805.74
31 March 2025	28,622.74	23,851.60	4,771.14

The inventory and book debts reported to the banks were lower than those reflected in the Company's books, as the details of the Company's share in inventory and book debts pertaining to joint operations were not available at the time of submitting the statements to the banks.

- iii. (a) According to the information and explanations provided to us, the Company has made investment in subsidiary and granted unsecured loans to employees and other parties during the year. No advances in the nature of loans, guarantees or securities have been provided by the Company during the year.

The details of loans to employees and other parties and balance outstanding in respect of such loans granted are as follows:

(Rs. In Lakhs)	
Aggregate amount granted/provided during the year	
-Loans to employees	11.95
-Other Parties	4,000.00
Balance Outstanding as at balance sheet date in respect of above cases	
-Loans to employees	5.32
-Other Parties	Nil

- (b) According to the information and explanations given to us, we are of the opinion that the terms and conditions in relation to grant of loans and investments made are not prima facie prejudicial to the interest of the Company. The Company has not provided advances in the nature of loans, guarantees or securities during the year.
- (c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments or receipts are regular as per stipulation of repayment.
- (d) In respect of loans granted by Company, there is no overdue amount remaining outstanding for more than ninety days, as at the balance sheet date considering the stipulations of repayment.
- (e) In our opinion and according to the information and explanations given and the books of accounts and records examined by us, no loan granted by Company which has fallen due during the year, has been renewed or extended. No fresh loans are granted to settle the over dues of existing loans given to the same parties.
- (f) According to the information and explanations provided to us, the Company has not granted any loans or advances in the nature of loans which are repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion, and according to the information and explanations given to us, the Company is engaged in providing infrastructural facilities as specified in schedule VI of the Act and accordingly, the provisions of Section 186, except sub section (1), of the Act are not applicable to the Company. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186(1) of the Act in respect of loans and investments made by it.
- v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed thereunder. Hence, reporting under clause 3(v) of the Order is not applicable.

vi. We have broadly reviewed the cost records maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that prima facie the specified accounts and records have been made and maintained. We have however not made a detailed examination of such records with a view to determine whether they are accurate or complete.

vii.

- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed dues including provident fund, employees' state insurance, sales-tax, service tax, duty of customs, duty of excise, goods and services tax, income tax, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities during the year except for delays in few cases. There are no undisputed amounts payable in respect of afore-mentioned statutory dues as at 31 March 2025 which are outstanding for a period of more than six months from the date they became payable except in case of Provident Fund of Rs. 2.78 Lakhs
- (b) According to the information and explanations given to us and on the basis of examination of the records of the Company, the details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2025, on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs. In lakhs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	0.38	F.Y 2012-2013	Deputy Commissioner of Income Tax
	Income tax #	6.70	Various years	Deputy Commissioner of Income Tax
	Income tax	11.07	F.Y. 2013-2014	Commissioner of Income Tax (Appeals)
		123.75	F.Y. 2018-2019	
		484.61	F.Y 2019-2020	
		43.80	F.Y. 2020-2021	
		554.19	F.Y 2021-2022	
		17.39	F.Y. 2022-2023	
	Income tax – Interest	0.63	F.Y 2017-2018	
	Income tax	2.17	F.Y. 2023-2024	Central Processing Center
	Income tax #	11.43	Various years	Central Processing Center
The Finance Act 1994	Tax Deducted at source	6.16	Various years	Assessing Officer
	Tax Deducted at source #	1.62	Various years	Assessing Officer
	Service tax	2,235.19	F.Y. 2006-2013	Customs, Excise and Service Tax Appellate Tribunal
Goods and Services Act, 2017	Service tax #	1,325.96	F.Y. 2008-2013	Customs, Excise and Service Tax Appellate Tribunal
	Goods and Service Tax	78.96	F.Y. 2019-2020	Commissioner of Central Tax, Appeals – II
	Goods and Service Tax #	77.16	F.Y. 2020-2021	Deputy Commissioner of State Tax, Appeal
The Maharashtra Value Added Tax Act, 2002	Goods and Service Tax #	136.00	F.Y. 2019-2020	Deputy Commissioner of State Tax, Appeal
	Value added Tax #	99.02	FY 2010-2011	Joint Commissioner of Sales Tax, Appeal- III



Company's share of disputed statutory dues in Joint Operations.

viii. According to the information and explanations given to us, there are no transactions (which are not accounted in the books of account) which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Accordingly, the reporting under clause 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 repayment of loans or other borrowings or in the payment of interest thereon, to any lender.
 - (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any banks or financial institutions or government or any government authority.
 - (c) In our opinion and according to the information and explanations provided to us, money raised by way of term loans during the year have been applied for the purpose for which they were raised.
 - (d) According to the information and explanations given to us, and on an overall examination of the financial statements of the Company, we report that funds raised on short-term basis have, prima facie, not been used for long term purposes.
 - (e) According to the information and explanations given to us, the Company has not taken any funds from any entities to meet the obligations of its subsidiary and joint operations and there are no associates. Hence, reporting under clause 3(ix)(e) of the Order is not applicable.
 - (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiary and joint operations and there are no associates. Hence, reporting under Clause 3(ix)(f) of the order is not applicable to the Company.
- (x) (a) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and hence reporting under clause 3(x)(a) of the Order is not applicable.
- (b) According to the records of the Company examined by us, and information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) during the year and hence reporting under clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have been informed of any such case by the Management.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- (c) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, as represented to us by the Management, no whistleblower complaints have been received by the Company during the year. Hence, the reporting under paragraph 3(xi)(c) of the order is not applicable to the Company.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, transactions with related parties are in compliance with Sections 177 and 188 of the Act, where applicable, and the details of such related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv)(a) During the year, internal audit has been carried out by an independent firm of Chartered accountants. In our opinion and according to the information and explanations given to us, the scope and coverage is commensurate with the size of the Company and the nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, reporting under clause 3(xv) of the Order is not applicable.
- (xvi)(a) According to the information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, reporting under clause 3(xvi)(a) of the Order is not applicable.
- (b) According to the information and explanations provided to us, the Company is not engaged in any Non- Banking Financial or Housing Finance activities during the year and accordingly, reporting under clause 3(xvi)(b) of the Order is not applicable.
- (c) According to the information and explanations provided to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, reporting under clause 3(xvi)(c) of the Order is not applicable.
- (d) Based on the information and explanations provided by the management of the Company, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has three CICs as part of the Group as detailed in note 60 to the financial statements. We have not, however, separately evaluated whether the information provided by the management is accurate and complete.
- (xvii) The Company has neither incurred cash losses in the current year nor in the immediately preceding financial year.
- (xviii) There has been resignation of the statutory auditor during the year and the predecessor statutory auditor have confirmed to us, that they were not aware of any reasons as to why, we should not accept the statutory audit of the Company.



- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information, the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in Note 55 of the financial statements.
- (b) In respect of ongoing projects, there is no unspent amount as at the end of the current financial year and hence no amount is required to be transferred to a special account within a period of thirty days from the end of the financial year, in compliance with the provisions of Section 135(6) of the Act.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Amit Kumar Kothari

Amit Kumar Kothari

Partner

Membership Number 222726

Mumbai, 13 May 2025

UDIN: 25222726BMNYCO5239



Annexure - B to the Independent Auditor's Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 7(B)(f) under "Report on Other Legal and Regulatory requirements" of our Report of even date to the members of the Company on the financial statements for the year ended 31 March 2025

We have audited the internal financial controls over financial reporting of **Welspun Michigan Engineers Limited** (formerly known as Welspun Michigan Engineers Private Limited) ("the Company") as of 31 March 2025 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's responsibility for internal financial controls

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

Auditor's responsibility

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

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

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



Meaning of internal financial controls over financial reporting

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

Inherent limitations of internal financial controls over financial reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Amit Kothari

Amit Kumar Kothari

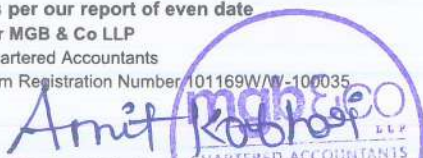

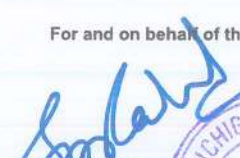

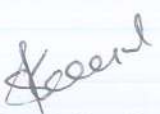
Partner

Membership Number 222726

Mumbai, 13 May 2025

UDIN: 25222726BMNYCO5239



Welspun Michigan Engineers Limited (Formerly known as Welspun Michigan Engineers Private Limited) CIN : U45300MH1973PLC016515			
Balance Sheet as at 31 March 2025			
		Amount in Rs. Lakhs	
	Notes	As at 31 March 2025	As at 31 March 2024
I. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	2A	14,671.70	12,824.68
(b) Capital work-in-progress	2B	-	17.48
(c) Right-of-use assets	2C	-	41.88
(d) Intangible assets	2D	13.82	27.38
(e) Financial assets			
(i) Investments	3	1.00	-
(ii) Trade receivables	4	4,941.37	3,282.01
(iii) Other financial assets	5	186.89	199.51
(f) Deferred tax assets (net)	6	2,068.83	1,706.88
(g) Non-current tax assets (net)	7	561.52	839.55
(h) Other non-current assets	8	476.64	1,214.58
Total non-current assets		22,921.77	20,153.95
2. Current assets			
(a) Inventories	9	4,969.76	5,060.21
(b) Contract assets	10	11,107.36	6,563.84
(c) Financial assets			
(i) Trade receivables	11	8,432.29	4,928.94
(ii) Cash and cash equivalents	12	4,780.89	1,236.27
(iii) Bank balances other than (ii) above	13	682.34	315.54
(iv) Loans	14	5.32	5.34
(v) Other financial assets	15	4,145.58	3,288.42
(d) Other current assets	16	3,250.93	1,733.32
Total current assets		37,374.47	23,131.88
Total assets		60,296.24	43,285.83
II. EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity share capital	17	173.57	173.57
(b) Other equity	18	28,944.10	21,638.93
Total equity		29,117.67	21,812.50
LIABILITIES			
2. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	3,580.75	2,462.30
(ii) Trade payables	20	-	-
a) Dues of micro and small enterprises		-	-
b) Dues of creditors other than micro and small enterprises		1,054.94	1,506.99
(b) Provisions	21	4,769.71	4,611.92
Total non-current liabilities		9,405.40	8,581.21
3. Current liabilities			
(a) Contract liabilities	22	3,846.76	2,208.26
(b) Financial liabilities			
(i) Borrowings	23	1,338.79	975.00
(ii) Lease liabilities	24	-	36.55
(iii) Trade payables	25		
a) Dues of micro and small enterprises		2,353.28	619.45
b) Dues of creditors other than micro and small enterprises		12,351.49	7,314.29
(iv) Other financial liabilities	26	730.14	226.41
(c) Other current liabilities	27	868.25	426.40
(d) Provisions	28	82.11	24.55
(e) Current tax liabilities (net)	29	202.35	1,061.21
Total current liabilities		21,773.17	12,892.12
Total equity and liabilities		60,296.24	43,285.83
Notes forming part of the financial statements		1 to 67	
As per our report of even date			
For MGB & Co LLP Chartered Accountants Firm Registration Number 101169W/W-100035  Amit Kumar Kothari Partner Membership Number 222726 		For and on behalf of the Board  Surin M. Patel Managing Director DIN: 00909324 	
Place : Mumbai Date : 13 May 2025		 Santosh Kumar Verma Whole-Time Director DIN: 07994000 Place : Mumbai Date : 13 May 2025	

Welspun Michigan Engineers Limited
(Formerly known as Welspun Michigan Engineers Private Limited)
CIN : U45300MH1973PLC016515

Statement of profit and loss for the year ended 31 March 2025

		Amount in Rs. Lakhs	
	Notes	Year ended 31 March 2025	Year ended 31 March 2024
Income			
Revenue from operations	30	66,774.64	41,182.54
Other income	31	464.10	344.10
Total income		67,238.74	41,526.64
Expenses			
Cost of material consumed	32	16,516.35	12,420.99
Construction expenses	33	32,170.38	16,534.28
Employee benefits expenses	34	3,126.69	1,876.81
Finance costs	35	792.69	665.31
Depreciation and amortisation	36	3,864.21	1,839.08
Other expenses	37	1,056.50	838.24
Total expenses		57,526.82	34,174.71
Profit before exceptional items and tax		9,711.92	7,351.93
Less: Exceptional items	38 & 50	(190.78)	(4,376.95)
Profit before tax		9,521.14	2,974.98
Tax expense	39		
Current tax - Current year		2,935.75	2,239.33
- Earlier years		185.42	3.11
Deferred tax charge / (credit)		(361.30)	(1,069.21)
Total tax expense		2,759.87	1,173.23
Profit for the year		6,761.27	1,801.75
Other comprehensive income / (loss)			
Items that will not to be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		(2.60)	(3.57)
Income tax effect on above		0.65	1.03
Other comprehensive income/(loss) for the year (net of tax)		(1.95)	(2.54)
Total comprehensive income for the year		6,759.32	1,799.21
Earnings per equity share of Rs.10 each fully paid up	40		
Basic (Rs.)		389.54	103.80
Diluted (Rs.)		377.84	103.80

Notes forming part of the financial statements 1 to 67

As per our report of even date

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


Amit Kumar Kothari
Partner
Membership Number 222726

Place : Mumbai
Date : 13 May 2025

For and on behalf of the Board


Saurin M. Patel
Managing Director
DIN: 00909324


Santosh Kumar Verma
Whole-Time Director
DIN: 07994000

Place : Mumbai
Date : 13 May 2025

Statement of changes in equity for the year ended 31 March 2025

A. Equity share capital

	Amount in Rs. Lakhs	
	Notes	Amount
Balance as at 1 April 2023	17 (a)	173.57
Changes during the year	17 (a)	-
Balance as at 31 March 2024	17 (a)	173.57
Changes during the year	17 (a)	-
Balance as at 31 March 2025		173.57

The Company is not required to make any changes in equity share capital as there are no prior period errors.

B. Other equity

	Notes	Reserves and surplus				Money received against share warrants	Total
		Securities premium	General Reserve	Retained earnings	Equity settled share based payment reserve		
Balance as at 1 April 2023 (A)		826.44	4,073.45	14,938.53	-	-	19,838.42
Profit for the year		-	-	1,801.75	-	-	1,801.75
Remeasurements gain/(loss) of net defined benefit plans (net of tax)	18 (iii)	-	-	(2.54)	-	-	(2.54)
Total comprehensive income for the year (B)		-	-	1,799.21	-	-	1,799.21
Money received against share warrants (C)	18 (v)	-	-	-	-	1.30	1.30
Balance as at 31 March 2024 (D = A+B+C)		826.44	4,073.45	16,737.74	-	1.30	21,638.93
Balance as at 1 April 2024 (A)		826.44	4,073.45	16,737.74	-	1.30	21,638.93
Profit for the year		-	-	6,761.27	-	-	6,761.27
Remeasurements gain/(loss) of net defined benefit plans (net of tax)	18 (iii)	-	-	(1.95)	-	-	(1.95)
Total comprehensive income for the year (B)		-	-	6,759.32	-	-	6,759.32
Share based payment to employees (C)	18 (iv)	-	-	-	545.85	-	545.85
Balance as at 31 March 2025 (D = A+B+C)		826.44	4,073.45	23,497.06	545.85	1.30	28,944.10

I. Nature and purpose of reserves and surplus

a) Securities premium

Securities premium is used to record the premium received on issue of shares. The reserve is utilisable in accordance with the provisions of the Companies Act, 2013.

b) General reserve

The reserve is a distributable reserve maintained by the Company out of transfers made from retained earnings and transfer from Equity settled shared based payment reserve on exercise of options.

c) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of profit and loss. Retained earnings is a free reserve available to the Company.

d) Equity settled share based payment reserve

Equity settled share based payment reserve is created as required by Ind AS 102 'Share Based Payment' on the employee stock option scheme operated by the Company for its employees.

e) Money received against share warrants

Money received against share warrants, (ESOP) will be adjusted against allotment of equity shares pursuant to the ESOP scheme.

II. The Company is not required to make any changes in Other equity as there are no prior period errors.

Notes forming part of the financial statements

1 to 67

As per our report of even date

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101769W/W-100035

Amit Kumar Kothari

Partner

Membership Number 222726

Place : Mumbai

Date : 13 May 2025

For and on behalf of the Board

Saurin M. Patel

Managing Director

Place : Mumbai

Place : Mumbai

Date : 13 May 2025

Santosh Kumar Verma

Whole-Time Director

DIN: 07994000

Place : Mumbai

Date : 13 May 2025

Welspun Michigan Engineers Limited
(Formerly known as Welspun Michigan Engineers Private Limited)
CIN : U45300MH1973PLC016515

Statement of cash flows for the year ended 31 March 2025

Amount in Rs. Lakhs

	Year ended 31 March 2025	Year ended 31 March 2024
A. Cash flow from operating activities		
Profit before tax	9,521.14	2,974.98
Adjustments for		
Depreciation and amortisation	3,864.21	1,839.08
Loss/ (gain) on sale of property, plant and equipment (net)	52.70	(3.03)
Interest income	(390.89)	(281.51)
Interest on income tax refund	(1.78)	(4.76)
Gain on redemption of mutual fund	(0.52)	-
Finance cost	792.69	665.31
Sundry balances written back (net)	(70.91)	(11.57)
Bad debts	15.00	23.37
Impairment allowance on trade receivables	50.61	-
Share based payments to employees	545.85	-
Unrealised foreign exchange (gain)/loss (net)	(61.69)	(15.81)
Operating profit before working capital changes	14,316.41	5,186.06
Decrease / (increase) in trade and other receivables	(11,617.17)	(1,357.59)
Decrease / (increase) in inventories	90.45	(2,422.70)
(Decrease) / increase in trade and other payables	8,617.12	8,824.32
Net Changes in working capital	(2,909.60)	5,044.03
Cash generated from operations	11,406.81	10,230.09
Income taxes paid (net of refunds)	(3,701.99)	(2,205.37)
Net cash generated from operating activities [A]	7,704.82	8,024.72
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress, capital creditors and capital advances)	(4,666.41)	(8,818.11)
Purchase of intangible assets	(0.20)	(25.69)
Proceeds from sale of property, plant and equipment	5.87	14.84
Purchase of mutual fund	(200.00)	-
Redemption of mutual fund	200.52	-
Investment in subsidiary	(1.00)	-
Fixed deposits (placed) / redeemed (net)	(633.61)	(147.05)
Interest received	392.67	286.27
Inter corporate deposit given	(4,000.00)	(600.00)
Repayment received of inter corporate deposit given	4,000.00	600.00
Net cash (used in) investing activities [B]	(4,902.16)	(8,689.74)
C. Cash flow from financing activities		
Proceeds from share warrants application money	-	1.30
Proceeds from long term borrowings	4,829.18	3,526.90
Repayment of long term borrowings	(3,747.12)	(704.40)
Proceeds from inter corporate deposits from Holding Company	-	2,500.00
Repayment of inter corporate deposits to Holding Company	-	(2,500.00)
Proceeds from inter corporate deposits from other related party	-	2,500.00
Repayment of inter corporate deposits to other related party	-	(2,500.00)
Principal payment of lease liabilities	(36.55)	(46.30)
Proceeds from /(repayment) of short term borrowings (net)	392.97	(521.31)
Finance cost paid	(696.52)	(647.79)
Net cash generated from financing activities [C]	741.96	1,608.40
Net increase/(decrease) in cash and cash equivalents [A+B+C]	3,544.62	943.38
Cash and cash equivalents at the beginning of the year	1,236.27	292.89
Cash and cash equivalents at the end of the year	4,780.89	1,236.27



Welspun Michigan Engineers Limited
(Formerly known as Welspun Michigan Engineers Private Limited)
CIN : U45300MH1973PLC016515

Statement of cash flows for the year ended 31 March 2025

Notes:

1. Components of Cash and cash equivalents

	As at 31 March 2025	As at 31 March 2024
Balances with banks		
On current account	511.74	1,051.65
Deposits with original maturity of less than three months	4,026.66	-
Cheques on hand	191.01	135.56
Cash on hand	51.48	49.06
Cash and cash equivalents	4,780.89	1,236.27

2. The above Statement of cash flows has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard (Ind AS 7) on Cash Flow Statement.

3. As required by Ind AS 7 "Statement of Cash Flows", a reconciliation between opening and closing balances in the balance sheet for liabilities arising from financing activities is given in Note 53.

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

As per our report of even date

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169WW-100035

Amit Kumar Kothari

Partner

Membership Number 222726

Place : Mumbai

Date : 13 May 2025



For and on behalf of the Board

Salvin M. Patel

Managing Director

DIN: 00909324

Place : Mumbai

Date : 13 May 2025

Santosh Kumar Verma

Whole-Time Director

DIN: 07994000

Place : Mumbai

Date : 13 May 2025



Notes forming part of the Financial Statements

Note 1: Corporate information, basis of preparation and material accounting policies

I Corporate information

Welspun Michigan Engineers Limited (formerly known as Welspun Michigan Engineers Private Limited) ("the Company") is an unlisted public limited company incorporated in India under the provisions of the Companies Act, 1956. The Company is domiciled in India, with its registered office located in Mumbai.

The Board of Directors in its meeting held on 3 November 2023 approved the change of name of the Company from 'Michigan Engineers Private Limited' to 'Welspun Michigan Engineers Private Limited', for which approval was received from the Ministry of Corporate Affairs on 5 January 2024. In the same meeting, Board of Directors also approved the conversion of the Company into a Public Company and change of name from 'Welspun Michigan Engineers Private Limited' to 'Welspun Michigan Engineers Limited', for which approval was received from the Ministry of Corporate Affairs on 23 February 2024.

The Company is primarily engaged in the business of civil construction, specifically in the urban infrastructure development. It is recognised as one of the leading players in tunnelling and pipeline rehabilitation projects in India.

The Financial Statements of the Company are prepared for the year ended 31 March 2025 and authorised for issue by the Board of Directors at their meeting held on 13 May 2025.

II Basis of preparation of financial statements

The financial statements have been prepared to comply in all material respects with the Indian Accounting Standards (Ind AS) notified under Section 133 of Companies Act, 2013 ("the Act") read with Companies (Indian Accounting Standards) Rules (as amended from time to time), relevant provisions of Schedule III (as amended) and other relevant provisions of the Act and rules framed thereunder.

These financial statements include Balance sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows and notes, comprising a summary of material accounting policies and other explanatory information and comparative information in respect of the preceding year.

The financial statements have been prepared on going concern basis, accrual basis and under the historical cost convention, except for the following that are measured at fair value :

- a) Certain financial assets and liabilities (Refer accounting policy regarding financial instruments).
- b) Defined benefit plan assets and liabilities
- c) Share based payment

III Presentation of financial statements

The financial statements (except for Statement of Cash Flows) are prepared and presented in the format prescribed in Division II – Ind AS Schedule III ("Schedule III") to the Companies Act, 2013. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows".

The financial statements are presented in Indian rupees (INR) have been rounded off to the nearest Lakhs up to two decimal places, as per the requirements of Schedule III to the Act, unless otherwise stated. "0.00" represents amount less than Rs 5,000.

(A) Material accounting policies

i) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
 - It is held primarily for the purpose of trading
 - It is due to be settled within twelve months after the reporting period, or
 - There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
- Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification
- Buyer's credit related to capital assets purchased is classified as current and non-current based on management's intention to roll over the buyer's credit facility

The Company classifies all other liabilities as non-current.

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

Operating Cycle

The Company adopts operating cycle based on the project period and accordingly all project related assets and liabilities are classified into current and non current. Other than project related assets and liabilities, 12 months period is considered as normal operating cycle.

ii) Revenue recognition

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



Notes forming part of the Financial Statements

a) Revenue from Engineering, procurement and construction

The Company recognises revenue from engineering, procurement and construction contracts ('EPC') over the period of time, as performance obligations are satisfied over time due to continuous transfer of control to the customer. EPC contracts are generally accounted for as a single performance obligation as it involves complex integration of goods and services. The transaction price is normally fixed at the start of the project. It is normal practice for contracts to include escalation clause based on timely construction or other performance criteria known as variable consideration, discussed below. Revenue is recognized over time in the construction stream, when the customer simultaneously receives and consumes the benefits provided through the entity's performance or when the Company creates or enhances an asset that the customer controls.

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

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in Statement of profit and loss in the period in which the circumstances that give rise to the revision become known by management.

For construction contracts the control is transferred over time and revenue is recognised based on the extent of progress towards completion of the performance obligations. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

b) Variable consideration

Due to the nature of the work required to be performed on many of the performance obligations, the estimation of total revenue and cost of completion is complex, subject to many variables and requires significant judgment. Variability in the transaction price arises primarily due to liquidated damages, price variation clauses, changes in scope, incentives, if any. The Company considers its experience with similar transactions and expectations regarding the contract in estimating the amount of variable consideration to which it will be entitled and determining whether the estimated variable consideration should be constrained. The Company includes estimated amounts in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. The estimates of variable consideration are based largely on an assessment of anticipated performance and all information (historical, current and forecasted) that is reasonably available.

c) Services revenue

The Company performs operation and maintenance and other services (including consultancy). Revenue is recognised in the accounting period in which the services are rendered as per the contractual terms.

d) Contract Balances

Contract assets and contract liabilities

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

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

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

Trade receivables

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

e) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer represents a financing component. As a consequence, the Company does not adjust any of the transaction prices for the time value of money. Retention money receivable from project customers does not contain any significant financing element, these are retained for satisfactory performance of contract. However, in case financing element is present then the Company would split the transaction price between the consideration for services rendered and time value of money ('financing component').

f) Interest income

Interest income from financial assets at fair value through profit or loss is disclosed as interest income within other income. Interest income on financial assets at amortised cost using the effective interest method is recognised in the Statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

g) Other income

All other income is accounted on accrual basis when no significant uncertainty exists regarding the amount that will be received.



Notes forming part of the Financial Statements

iii) Exceptional items

On certain occasions, the size, type, or incidences of the item of income or expenses pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expenses is classified as an exceptional item and accordingly, disclosed in the financial statements.

iv) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Company as a lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The right-of-use assets are also subject to impairment. Refer to the material accounting policies - Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments).

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of rented premises (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

v) Property, plant and equipment

Freehold land is carried at cost. Other property, plant and equipment acquired are measured on initial recognition at cost. Subsequent to initial recognition, property, plant and equipment are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

Property, plant and equipment not ready for the intended use on the date of the Balance Sheet is disclosed as "Capital Work-In-Progress" and carried at cost net of accumulated impairment loss, if any. Cost comprises directly attributable costs and related incidental expenses.

Depreciation

Depreciation on property, plant and equipment is provided on written down value basis as per the rate derived on the basis of useful life and method prescribed under Schedule - II of the Act. If the management estimates the useful life of assets at the time of acquisition of assets or remaining useful life on a subsequent review is shorter/longer than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate/ lower rate based on the management estimate of the useful life/remaining useful life. Property, plant and equipment, costing individually Rs. 5,000 or less are depreciated fully in the year of purchase.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.



Notes forming part of the Financial Statements

Pursuant to this policy, property, plant and equipment are depreciated over the useful life as estimated by the management :-

Category of assets	Estimated useful life (in years)
Buildings	3 - 30
Plant and machinery	3 - 15
Furniture and Fixtures	3 - 10
Vehicles	5 - 10
Office and other equipments	5
Computers	3

vi) Intangible assets

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

The useful lives of intangible assets are assessed as either finite or indefinite.

Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following periods:

Category of assets	Estimated useful life (in years)
Computer Software	5 - 6

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

vii) Impairment of non-financial assets

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

viii) Inventories

Project materials (including consumables) are valued at cost or net realizable value whichever is lower.

Cost includes all non-refundable taxes and expenses incurred to bring the inventory to present location. Cost is determined using weighted average method of valuation.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Reusable inventory

Reusable inventory, included in project materials, having a useful life of more than one year are valued at cost and written off over estimated useful life. The carried value is reviewed periodically and items no longer usable are charged to the statement of profit and loss.

ix) Employee benefits

a) Short-term benefits

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related services are rendered.

b) Defined benefit plans

Gratuity scheme:

The employees' gratuity fund scheme, managed by Star Union Dai ichi Life Insurance Company Limited is a defined benefit plan. The cost of providing defined benefits is determined using the Projected Unit Credit method with actuarial valuations carried out as at the end of each financial year. The present value of the defined benefit plan is determined by discounting the estimated future cash outflow by reference to market yields as at the end of the reporting period on Government bonds that have terms approximately to the terms of the related obligation. The defined benefit obligations recognized in the Balance Sheet represent the present value of the defined benefit obligations as reduced by the fair value of plan assets, if any.

Recognition and measurement of defined benefit plans

All expenses represented by current service cost, past service cost, if any, and net interest on the defined benefit liability/ (asset) are recognized in the Statement of Profit and Loss. Re-measurements of the net defined benefit liability / (asset) comprising actuarial gains and losses and the return on the plan assets (excluding amounts included in net interest on the net defined benefit liability/asset), are recognized in Other Comprehensive Income. They are included in the retained earnings in the Statement of changes in equity and Balance Sheet.



Notes forming part of the Financial Statements

c) **Defined contribution plans:**

The amount charged as expense is equal to the contributions paid or payable when employees have rendered services entitling them to the contributions.

Recognition and measurement of defined contribution plans:

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contributions payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contributions already paid. If the contributions already paid exceeds the contributions due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

x) **Share based payment arrangements**

Employees of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity settled transactions).

Employee stock options/ warrants

The fair value of the options granted under the Employees Stock Option Schemes are recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions
- excluding the impact of any service and non-market performance vesting conditions, and
- including the impact of any non-vesting conditions.

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in the statement of profit and loss, with a corresponding adjustment to the Equity settled share based payment reserve.

xi) **Borrowing costs**

Borrowing costs include interest and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss in the period in which they are incurred. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset are included in the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

xii) **Taxes on income**

a) **Current tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current taxes are recognized in profit or loss except to the extent that the tax relates to items recognized in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

b) **Deferred tax**

Deferred income tax is recognized on all temporary differences which are the differences between the carrying amount of an asset or liability in the statement of financial position and its tax base except when the deferred income tax arises from the initial recognition of an asset or liability that effects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax liabilities are recognized for all taxable temporary differences; and deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date and based on the tax consequence which will follow from the manner in which the Company expects, at financial year end, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax relating to item recognised outside the statement of profit and loss is recognised outside the statement of profit and loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liability and the deferred taxes relate to the same taxable entity and the same taxation authority.



Notes forming part of the Financial Statements

xiii) **Foreign Currency transactions**

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

xiv) **Cash and cash equivalents**

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

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

xv) **Earnings per share**

i) **Basic earnings per share**

Basic earnings per share is computed by dividing the profit attributable to owners of the Company by the weighted average number of equity shares outstanding during the financial year.

ii) **Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares including share based payments, except where the result would be anti-dilutive.

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

a) **Provisions**

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

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

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

b) **Contingent liabilities and contingent assets**

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

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

xvii) **Investment in subsidiary**

The Company has accounted for its investment in subsidiary at cost.

xviii) **Interest in Joint Operations:**

A joint operation is a joint arrangement where by the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a Company undertakes its activities under joint operations, the Company as a joint operator recognises in relation to its interest in a joint operation:

1. its assets, including its share of any assets held jointly,
2. its liabilities, including its share of any liabilities incurred jointly,
3. its revenue, including its share of any revenue arising jointly,
4. its expenses, including its share of any expenses incurred jointly.

The Company accounts for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues, and expenses.



Notes forming part of the Financial Statements

xix) Financial instruments

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

A. Financial assets

a) Initial recognition and measurement

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

b) Subsequent measurement

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

- i) Debt instruments measured at amortised cost
- ii) Debt instruments measured at fair value through other comprehensive income (FVTOCI)
- iii) Debt instruments measured at fair value through profit or loss (FVTPL)
- iv) Equity instruments measured at FVTOCI or FVTPL

Debt instruments

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

i) Debt instruments measured at amortised cost

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

ii) Debt instruments measured at FVTOCI

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

iii) Debt instruments measured at FVTPL

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

iv) Equity instruments (other than investment in subsidiary - Refer note "xvii" above)

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

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

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

B. Derecognition of financial assets

A financial asset is derecognised only when

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

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

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

C. Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all trade receivables and/or contract assets that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.



Notes forming part of the Financial Statements

D. Financial liabilities

a) Initial recognition and measurement

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

b) Subsequent measurement

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

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

i) Financial liabilities measured at amortised cost

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

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

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

c) Derecognition

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

E. Derivatives

The Company enters into certain derivative contract (i.e. foreign exchange forward contracts) to manage its exposure to foreign exchange risks, which is not designated as hedges. Such contracts are accounted for at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly through consolidated statement of profit and loss except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to consolidated statement of profit and loss when the hedge item affects profit or loss.

xx) Fair value measurement

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

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

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

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

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

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

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

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

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

xxi) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM') who regularly monitors and reviews the operating results. Refer Note 43 for segment information.



Notes forming part of the Financial Statements

(B) Significant estimates, judgements and assumptions

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

a) Contract estimates

The percentage-of-completion method places considerable importance on accurate estimates of the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. These significant estimates include total contract costs, total contract revenue, contract risks, including technical, political and regulatory risks, and other judgement. The Company reassesses these estimates on periodic basis and makes appropriate revisions accordingly.

Before including any amount of variable consideration in the transaction price, the Company considers whether the amount of variable consideration is constrained. The Company determined that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic conditions. In addition, the uncertainty on the variable consideration will be resolved within a short time frame.

b) Allowance for uncollectible trade receivables

Trade receivables do not carry interest and are stated at their nominal values as reduced by appropriate allowances for estimated irrecoverable amounts. Estimated irrecoverable amounts are based on the ageing of the receivable balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible.

c) Provision for employee benefits

The cost of post-employment and other long term benefits is determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include determination of discount rates, expected rate of return on assets, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The assumptions used are disclosed in Note 50.

d) Contingencies and commitments

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

e) Impairment testing

(i) Impairment of non-financial assets

Assets 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 asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(ii) Impairment of financial assets

The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

f) Taxes

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

In determining the recoverability of deferred income tax assets, the Company primarily considers current and expected profitability of applicable operating business segments and their ability to utilise any recorded tax assets. The Company reviews its deferred income tax assets at every reporting year / period end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

g) Fair value measurement

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. In applying the valuation techniques, management makes maximum use of market inputs and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. Where applicable data is not observable, management uses its best estimate about the assumptions that market participants would make. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date. For details of the key assumptions used and the impact of changes to these assumptions (Refer Note 44).



Notes forming part of the Financial Statements

h) Share based payments

Estimating fair value for share-based payment requires determination of the most appropriate valuation model. The estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 56.

i) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgement. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

(C) Recent pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2025, MCA has notified Ind AS – 117 Insurance Contracts and amendments to Ind AS 116 – Leases, relating to sale and leaseback transactions, applicable to the Company w.e.f. 1 April 2024. The Company has reviewed the new pronouncements and based on its evaluation has determined that it does not have any significant impact in its financial statements.



Notes forming part of the Financial Statements

2A Property, plant and equipment	Amount in Rs. Lakhs							
	Land - Freehold	Buildings	Plant and machinery (refer note (iii) below)	Furniture and fixtures	Vehicles	Office and other equipments	Computers	Total
a) Gross carrying amount								
Balance as at 01 April 2023	1,580.72	358.65	10,923.68	150.60	329.67	35.08	26.97	13,405.37
Additions	-	-	8,410.49	129.62	105.54	17.17	34.45	8,697.27
Disposals	-	-	(25.63)	-	(52.33)	(0.28)	(0.01)	(78.25)
Balance as at 31 March 2024	1,580.72	358.65	19,308.54	280.22	382.88	51.97	61.41	22,024.39
Additions	-	-	5,486.49	84.15	85.15	15.94	42.43	5,714.16
Disposals	-	-	(224.99)	(15.77)	(11.94)	(9.12)	(17.38)	(279.20)
Balance as at 31 March 2025	1,580.72	358.65	24,570.04	348.60	456.09	58.79	86.46	27,459.35
b) Accumulated depreciation								
Balance as at 01 April 2023	-	263.43	6,884.41	100.35	183.54	24.40	18.10	7,474.23
Charge for the year	-	8.09	1,663.80	26.54	72.64	7.94	12.91	1,791.92
Disposals	-	-	(17.70)	-	(48.50)	(0.24)	-	(66.44)
Balance as at 31 March 2024	-	271.52	8,530.51	126.89	207.68	32.10	31.01	9,199.71
Charge for the year	-	7.61	3,639.30	49.15	71.99	9.92	30.78	3,808.75
Disposals	-	-	(176.76)	(9.74)	(11.29)	(7.49)	(15.53)	(220.81)
Balance as at 31 March 2025	-	279.13	11,993.05	166.30	268.38	34.53	46.26	12,787.65
c) Net carrying amount								
As at 31 March 2025	1,580.72	79.52	12,576.99	182.30	187.71	24.26	40.20	14,671.70
As at 31 March 2024	1,580.72	87.13	10,778.03	153.33	175.20	19.87	30.40	12,824.68

Notes:

- Refer Note 19 and 23 for information on Property, plant and equipment hypothecated and mortgaged as security by the Company.
- Refer Note 48(B) for capital commitments for acquisition of Property, plant and equipment.
- Addition to plant and machinery includes borrowing cost Rs. 2.60 Lakhs (31 March 2024 : Rs. 2.59 Lakhs) and exchange difference loss of Rs. 20.75 Lakhs (31 March 2024: gain Rs. 18.12 Lakhs).

2B Capital work-in-progress

	Amount in Rs. Lakhs
Balance as at 1 April 2023	-
Additions	17.48
Transfer to Property, plant and equipment	-
Balance as at 31 March 2024	17.48
Additions	1.97
Transfer to Property, plant and equipment	(19.45)
Balance as at 31 March 2025	-

Ageing of Capital work-in-progress as at 31 March 2025 is as follows

	Amount in Rs. Lakhs				
	Amount of capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project in progress	-	-	-	-	-
Projects temporarily suspended	-	-	-	-	-

Ageing of Capital work-in-progress as at 31 March 2024 is as follows

	Amount in Rs. Lakhs				
	Amount of capital work-in-progress for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Project in progress	17.48	-	-	-	17.48
Projects temporarily suspended	-	-	-	-	-



Notes forming part of the Financial Statements

2C Right-of-use assets	Amount in Rs. Lakhs	
	Leased premises	Total
a) Gross carrying amount		
Balance as at 01 April 2023	137.05	137.05
Additions	-	-
Disposals	-	-
Balance as at 31 March 2024	137.05	137.05
Additions	-	-
Disposals	(137.05)	(137.05)
Balance as at 31 March 2025	-	-
b) Accumulated depreciation		
Balance as at 01 April 2023	49.49	49.49
Additions	45.68	45.68
Disposals	-	-
Balance as at 31 March 2024	95.17	95.17
Additions	41.88	41.88
Disposals	(137.05)	(137.05)
Balance as at 31 March 2025	-	-
c) Net carrying amount		
Balance as at 31 March 2025	-	-
Balance as at 31 March 2024	41.88	41.88

2D Intangible assets	Amount in Rs. Lakhs	
	Software	Total
a) Gross carrying amount		
Balance as at 01 April 2023	50.41	50.41
Additions	25.69	25.69
Disposals	-	-
Balance as at 31 March 2024	76.10	76.10
Additions	0.20	0.20
Disposals	(2.61)	(2.61)
Balance as at 31 March 2025	73.69	73.69
b) Amortisation		
Balance as at 01 April 2023	47.24	47.24
Additions	1.48	1.48
Disposals	-	-
Balance as at 31 March 2024	48.72	48.72
Additions	13.58	13.58
Disposals	(2.43)	(2.43)
Balance as at 31 March 2025	59.87	59.87
c) Net carrying amount		
Balance as at 31 March 2025	13.82	13.82
Balance as at 31 March 2024	27.38	27.38



Welspun Michigan Engineers Limited
(Formerly known as Welspun Michigan Engineers Private Limited)
CIN : U45300MH1973PLC016515

Notes forming part of the Financial Statements

		Amount in Rs. Lakhs	
		As at 31 March 2025	As at 31 March 2024
3 Investments - Non-current			
Investment in equity instruments (at cost) - wholly owned subsidiary			
Unquoted			
Welspun Smartops Limited			
10,000 (31 March 2024 : Nil) equity shares of Rs. 10 each fully paid up		1.00	-
Total		1.00	-
Aggregate book value of unquoted investments		1.00	-
4 Trade receivables - Non current			
Unsecured (Considered good)		4,941.37	3,282.01
Total		4,941.37	3,282.01
Notes:			
(i) Non current trade receivables represent long term retentions related to construction contracts.			
(ii) Refer Note 46 for ageing of trade receivables as on 31 March 2025 and 31 March 2024.			
5 Other financial assets - Non-current			
Bank deposits having original maturity of more than twelve months #		149.40	140.01
Security deposits		37.37	14.50
Other receivables		0.12	45.00
Total		186.89	199.51
# Under lien against various facilities from banks.		148.51	139.12
6 Deferred tax assets (net)			
Deferred tax assets (net) (Refer Note 39)		2,068.83	1,706.88
Total		2,068.83	1,706.88
7 Non-current tax assets (net)			
Income tax assets (net of provision for tax)		561.52	839.55
Total		561.52	839.55
8 Other assets - Non-current			
Capital advances #		36.62	551.18
Prepaid expenses		236.78	509.88
Balance with government authorities - Indirect taxes		203.24	153.52
Total		476.64	1,214.58
# Refer Note 48(B) capital commitments for disclosure of contractual commitment for acquisition of Property, plant and equipment			
9 Inventories			
Project materials		4,969.76	5,060.21
(including consumables and reusable inventories)			
Total		4,969.76	5,060.21



Welspun Michigan Engineers Limited
(Formerly known as Welspun Michigan Engineers Private Limited)
CIN : U45300MH1973PLC016515

Notes forming part of the Financial Statements

		Amount in Rs. Lakhs	
		As at 31 March 2025	As at 31 March 2024
10 Contract assets			
Unbilled revenue (Refer Note 52)			
Considered good		11,107.36	6,563.84
Total		11,107.36	6,563.84
11 Trade receivables - current			
Unsecured			
Considered good		8,432.29	4,928.94
Considered doubtful - which have significant increase in credit risk		50.61	-
Less: Allowance for expected credit loss (Refer Note 45)		(50.61)	-
Total		8,432.29	4,928.94
Notes:			
(i) Trade receivables are non interest bearing and payment is generally due as per payment terms mentioned in the contract. The Company's exposure to credit risk related to trade receivables is disclosed in Note 45(B).			
(ii) Trade receivables includes retentions related to construction contracts of Rs. 2,714.73 Lakhs (31 March 2024 Rs. 2,869.22 Lakhs).			
(iii) Refer Note 46 for ageing of trade receivables as on 31 March 2025 and 31 March 2024.			
(iv) No debts are due by directors or other officers of the Company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member.			
12 Cash and cash equivalents			
Balance with banks :			
- In current accounts		511.74	1,051.65
- Deposits with original maturity period of less than three months		4,026.66	-
Cheques on hand		191.01	135.56
Cash on hand #		51.48	49.06
Total		4,780.89	1,236.27
# Includes Rs.45.00 Lakhs (31 March 2024 : Rs. 45.00 Lakhs) with tax authorities			
13 Bank balances (other than 12 above)			
Bank deposits with maturity of more than three months but less than twelve months #		682.34	315.54
Total		682.34	315.54
# Under lien against various facilities from banks.			
14 Loans - Current			
Unsecured, considered good			
Loans to employees		5.32	5.34
Total		5.32	5.34



Welspun Michigan Engineers Limited
(Formerly known as Welspun Michigan Engineers Private Limited)
CIN : U45300MH1973PLC016515

Notes forming part of the Financial Statements

Amount in Rs. Lakhs

	As at 31 March 2025	As at 31 March 2024
15 Other financial assets - Current (Unsecured, considered good)		
Security deposits		
- Customers	1,928.21	1,747.39
- Related parties (Refer Note 51)	5.84	8.00
- Others	152.83	140.66
Deposit with original maturity more than 12 months #	661.40	403.98
Derivative instruments at fair value through profit and loss		
- Foreign exchange forward contract ##	19.95	-
Other receivables		
- Joint operations	1,183.30	805.23
- Others	194.05	183.16
Total	4,145.58	3,288.42
# Under lien against various facilities from banks.	661.40	403.98
## Mark to market receivable on foreign currency forward contract taken to hedge foreign currency payables.		
16 Other assets - current Unsecured, considered good		
Advances to suppliers and sub-contractors	1,594.46	443.75
Prepaid expenses	447.09	485.12
Balance with government authorities - Indirect taxes	1,209.38	804.45
Total	3,250.93	1,733.32



Notes forming part of the Financial Statements

Amount in Rs. Lakhs

	As at 31 March 2025	As at 31 March 2024
17 Equity share capital		
Authorised Capital		
1,50,00,000 (31 March 2024 - 150,00,000) Equity shares of Rs.10 each.	1,500.00	1,500.00
	1,500.00	1,500.00
Issued, Subscribed and Paid-up Capital		
17,35,720 (31 March 2024 - 17,35,720) Equity shares of Rs.10 each fully paid up	173.57	173.57
	173.57	173.57

a) Reconciliation of number of equity shares and amount outstanding at the beginning and at the end of the year

	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
Balance as at the beginning of the year	17,35,720	173.57	17,35,720	173.57
Add: Changes during the year	-	-	-	-
Balance as at the end of the year	17,35,720	173.57	17,35,720	173.57

b) Rights, preference and restriction on equity shares

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

In the event of liquidation of the Company, the holders of equity shares are entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

c) Details of equity shares held by the holding Company

	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Percentage (%) of holding	Number of shares	Percentage (%) of holding
Welspun Enterprises Limited (including their nominees)	10,42,994	60.09%	8,69,596	50.10%
	10,42,994	60.09%	8,69,596	50.10%

d) Details of shareholders holding more than 5% equity shares of the Company

	As at 31 March 2025		As at 31 March 2024	
	Number of shares	Percentage (%) of holding	Number of shares	Percentage (%) of holding
Welspun Enterprises Limited (including its nominees)	10,42,994	60.09%	8,69,596	50.10%
Saurin Manubhai Patel	2,43,001	14.00%	2,43,001	14.00%
Authum Investment and Infrastructure Limited	2,24,863	12.96%	1,90,061	10.95%
ARN Capital Strategies Limited (formerly known as Sansaar Housing Finance Limited)	1,90,061	10.95%	1,90,061	10.95%
Patel Engineering Limited	-	-	1,73,398	9.99%
	17,00,919	98.00%	16,66,117	95.99%

e) Disclosure of shareholding of promoters

The details of shares held by the promoters as at 31 March 2025 and 31 March 2024 are as follows:

Promoter's name	As at 31 March 2025			As at 31 March 2024		
	Number of shares	Percentage (%) of total shares	Percentage (%) change during the year	Number of shares	Percentage (%) of total shares	Percentage (%) change during the year
Welspun Enterprises Limited	10,42,994	60.09%	9.99%	8,69,596	50.10%	50.10%
Saurin Manubhai Patel #	-	-	-	2,43,001	14.00%	-35.00%

Ceased to be promoter of the Company w.e.f. 1 April 2024

f) The Company has not issued any bonus shares, shares issued for consideration other than cash and shares bought back during the last five years immediately preceding reporting date 31 March 2025.

g) Shares reserved for issue under options:

For details of shares reserved for issue under the share based payment plan of the Company, refer Note 56.



Welspun Michigan Engineers Limited
(Formerly known as Welspun Michigan Engineers Private Limited)
CIN : U45300MH1973PLC016515

Notes forming part of the Financial Statements

18 Other equity

	Amount in Rs. Lakhs	
	As at 31 March 2025	As at 31 March 2024
Security premium	826.44	826.44
General reserve	4,073.45	4,073.45
Retained earnings	23,497.06	16,737.74
Equity settled share based payment reserve	545.85	-
Money received against share warrants	1.30	1.30
Total	28,944.10	21,638.93

	Amount in Rs. Lakhs	
	As at 31 March 2025	As at 31 March 2024
(i) Security premium		
As per last balance sheet	826.44	826.44
(ii) General reserve		
As per last balance sheet	4,073.45	4,073.45
(iii) Retained earnings		
As per last balance sheet	16,737.74	14,938.53
Profit for the year	6,761.27	1,801.75
Add / (Less): Remeasurement gains/(losses) on defined benefit plan (net of tax)	(1.95)	(2.54)
	23,497.06	16,737.74
(iv) Equity settled share based payment reserve		
As per last balance sheet	-	-
Share based payments (Refer Note 56)	545.85	-
	545.85	-
(v) Money received against share warrants (Refer Note 56)		
As per last balance sheet	1.30	-
Received during the year	-	1.30
	1.30	1.30
Total	28,944.10	21,638.93



Notes forming part of the Financial Statements

		Amount in Rs. Lakhs	
		As at	As at
		31 March 2025	31 March 2024
19	Borrowings - Non current		
	Secured		
	Term loans from :		
	Banks (Refer note 'a' below)	1,088.48	1,948.64
	Financial institutions (Refer note 'b' below)	84.46	201.59
	Buyer's credit from banks (Refer note 'c' below)	3,353.63	1,287.07
		4,526.57	3,437.30
	Less: Current maturities of long term borrowing (Refer note 23)	945.82	975.00
	Total	3,580.75	2,462.30

a) Term loans : from banks

Axis Bank Limited

(i) Term loan of Rs. 98.77 Lakhs (31 March 2024: Rs. 148.76 Lakhs) is secured by hypothecation of the underlying construction equipment. The loan carries interest rate of 8.75% per annum. The repayment structure includes a principal moratorium period of 24 months, followed by repayment through 36 equated monthly instalments of Rs. 5.07 Lakhs each, commencing from 15 January 2024.

(ii) Term loan of Rs.989.71 Lakhs (31 March 2024: Rs.Nil Lakhs) is secured by hypothecation of underlying construction equipment. The loan carries interest at 1-year MCLR plus a spread of 0.20%, with the current applicable rate being 9.50% per annum. It is repayable in 25 equated monthly instalments of Rs.65.90 Lakhs each, commencing from 20 July 2024.

(iii) Term loan of Rs.Nil Lakhs (31 March 2024: Rs.1,652.37 Lakhs) was secured by hypothecation of underlying construction equipment. The loan carried interest at 10.50% per annum and was repayable in 35 equated monthly instalments of Rs.66.59 Lakhs each, commencing from 20 September 2023. The loan was fully repaid during the year.

(iv) Term loan of Rs.Nil (31 March 2024: Rs.135.33 Lakhs) was secured by hypothecation of underlying construction equipment. The loan carried interest at 11.01% per annum and was repayable in 23 equated monthly instalments of Rs.27.60 Lakhs each, commencing from 5 October 2022. The loan was fully repaid during the year.

Equitas Small Finance Bank Limited

(i) Vehicle loan of Rs. Nil Lakhs (31 March 2024: Rs.5.41 Lakhs) from a bank was secured by hypothecation of the underlying vehicle. The loan carried interest at 10.02% per annum and was repayable in 36 equated monthly instalments of Rs.0.32 Lakhs each, commencing from 5 October 2022. The loan was fully repaid during the year.

(ii) Vehicle loan of Rs. Nil Lakhs (31 March 2024: Rs.6.78 Lakhs) from a bank was secured by hypothecation of the underlying vehicle. The loan carried interest at 10.01% per annum and was repayable in 36 equated monthly instalments of Rs.0.32 Lakhs each, commencing from 10 March 2023. The loan was fully repaid during the year.

b) Term loans : From financial institutions

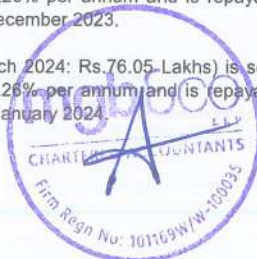
Mahindra and Mahindra Financial Services Limited

(i) Term loan of Rs.9.00 Lakhs (31 March 2024: Rs.25.59 Lakhs) is secured by hypothecation of the underlying equipment. The loan carries interest at 10.25% per annum and is repayable in 24 equated monthly instalments of Rs.1.54 Lakhs each, commencing from 15 October 2023.

(ii) Term loan of Rs.10.46 Lakhs (31 March 2024: Rs.26.94 Lakhs) is secured by hypothecation of the underlying equipment. The loan carries interest at 10.25% per annum and is repayable in 24 equated monthly instalments of Rs.1.54 Lakhs each, commencing from 15 November 2023.

(iii) Term loan of Rs.30.71 Lakhs (31 March 2024: Rs.73.01 Lakhs) is secured by hypothecation of the underlying equipment. The loan carries interest at 10.26% per annum and is repayable in 24 equated monthly instalments of Rs.3.96 Lakhs each, commencing from 5 December 2023.

(iv) Term loan of Rs.34.29 Lakhs (31 March 2024: Rs.76.05 Lakhs) is secured by hypothecation of the underlying equipment. The loan carries interest at 10.26% per annum and is repayable in 24 equated monthly instalments of Rs.3.96 Lakhs each, commencing from 15 January 2024.



Notes forming part of the Financial Statements

c) Buyer's credit : From banks

Yes Bank Limited

Buyer's credit related to capital assets purchased is classified as non-current based on management's intention to roll over the buyer's credit facility

(i) Buyer's credit facility of Rs.1,328.15 Lakhs (31 March 2024: Rs. Nil lakhs) is secured by way of first pari-passu charge over all current assets and movable fixed assets of the Company, both present and future, excluding assets specifically charged against relevant term loans. The facility carries interest at 6-month SORA plus 100 basis points per annum, with a reset every six months. With annual rollover, the buyer's credit will be due for final payment by the Company in March 2027.

(ii) Buyer's credit facility of Rs. Nil Lakhs (31 March 2024: Rs.1,287.07 Lakhs) was secured by way of first pari-passu charge over all current assets and movable fixed assets of the Company, both present and future, excluding assets specifically charged against relevant term loans. The loan has been repaid during the year. The facility carried interest at 6-month SORA plus 60 basis points per annum, with a reset every six months.

(iii) Buyer's credit facility of Rs.2,025.48 Lakhs (31 March 2024: Rs. Nil Lakhs) is secured by way of first pari-passu charge over all current assets and movable fixed assets of the Company, both present and future, excluding assets specifically charged against relevant term loans. The facility carries interest at 12-month SOFR plus 75 basis points per annum. With annual rollover, the buyer's credit will be due for final payment by the Company in July 2027.

		Amount in Rs. Lakhs	
		As at 31 March 2025	As at 31 March 2024
20	Trade payables - Non-current		
	Dues of micro and small enterprises (Refer Note 49)	-	-
	Dues of creditors other than micro and small enterprises	1,054.94	1,506.99
	Total	1,054.94	1,506.99

Notes:

(i) Non current trade payables represents amount retained as per the terms of the contract.

(ii) Trade payables are non-interest bearing and are normally settled as per payment terms mentioned in the contract.

(iii) Refer Note 47 for ageing of trade payables as at 31 March 2025 and 31 March 2024.

21	Provisions - Non-current		
	Provision for employee retirement benefits		
	Gratuity (Refer Note 50)	143.22	203.24
	Compensated Absences (Refer Note 50)	58.76	31.73
	Others		
	Provisions for service tax * (Refer Note 58)	4,567.73	4,376.95
	Total	4,769.71	4,611.92
	*Movement of other provisions :		
	As per last balance sheet	4,376.95	-
	Add: Additions during the year	190.78	4,376.95
	Less: Utilisation/write back during the year	-	-
	Total	4,567.73	4,376.95

22	Contract liabilities		
	Unearned revenue (Refer Note 52)		
	Related party (Refer Note 51)	1,492.27	-
	Others	2,354.49	2,208.26
	Total	3,846.76	2,208.26

Contract liability is recognized when a customer pays consideration before the Company transfers goods or services to the customer. Contract liabilities are recognized as revenue when the Company performs its obligations under the contract.

23	Borrowings - Current		
	Current maturities of long term borrowings #		
	Secured		
	Term loan from banks	786.01	854.81
	Term loan from financial institutions	84.46	117.60
	Buyer's credit from banks	75.35	2.59
		945.82	975.00
	Unsecured		
	Payable under MSMED trade receivable discounting system (TReDS) (Refer Note (a) below)	392.97	-
	Total	1,338.79	975.00

Refer Note 19 for security, interest and repayment terms



Notes forming part of the Financial Statements

- a) Unsecured loan from banks represents a factoring facility availed through the TReDS platform in respect of amounts payable by the Company to Micro, Small and Medium Enterprises (MSMEs). The loan and interest are repayable as per the agreed terms of each individual transaction, with interest generally paid in advance.
- b) The Company has been sanctioned working capital facilities, comprising both fund-based and non-fund-based limits, from various banks. As at 31 March 2025, the outstanding balances in the cash credit and demand loan accounts are Rs. Nil Lakhs (31 March 2024: Rs. Nil Lakhs).

These facilities are secured by:

A first pari-passu charge over all current assets and movable fixed assets of the Company, both present and future, excluding assets specifically charged to secure term loans or project/lease-based financings.

A negative lien on immovable property (NA Land) owned by the Company situated at Village Nadhal, Taluka Khalapur, Maharashtra.

The cash credit facilities carry interest at:

12-month MCLR + 0.45% per annum and 3-month TBLR + 2.55% per annum, depending on the respective banking arrangement.

The statements of current assets filed by the Company with banks in respect of the working capital facilities availed are in agreement with the books of accounts of the Company except for differences mentioned in Note 59.

		Amount in Rs. Lakhs	
		As at	As at
		31 March 2025	31 March 2024
24	Lease liabilities		
	Lease liabilities (Refer Note 42)	-	36.55
	Total	-	36.55
25	Trade payables - Current		
	Dues of micro and small enterprises (Refer Note 49)	2,353.28	619.45
	Dues of creditors other than micro and small enterprises		
	- Acceptances	472.96	251.07
	- Other than acceptances		
	Related parties (Refer Note 51)	488.09	-
	Other parties	11,390.44	7,063.22
		12,351.49	7,314.29
	Total	14,704.77	7,933.74
Notes:			
(i) Trade payables includes amount retained as per the terms of the contract of Rs. 382.50 Lakhs (31 March 2024 Rs. 130.11 Lakhs).			
(ii) Trade payables are non-interest bearing and are normally settled as per payment terms mentioned in the contract.			
(iii) Refer Note 47 for ageing of trade payables as at 31 March 2025 and 31 March 2024.			
26	Other financial liabilities - Current		
	Payable to capital creditors*	581.04	65.33
	Payable to employees	133.80	161.08
	Interest payable to MSME (Refer Note 49)	15.30	-
	Total	730.14	226.41
* Includes dues of micro and small enterprises of Rs. 72.22 Lakhs (31 March 2024 Rs. 21.12 Lakhs), refer Note 49.			
27	Other liabilities - Current		
	Statutory dues	868.25	426.40
	Total	868.25	426.40
28	Provisions - Current		
	Provision for employee retirement benefits		
	Gratuity (Refer Note 50)	70.00	16.47
	Compensated absences (Refer Note 50)	12.11	8.08
	Total	82.11	24.55
29	Current tax liabilities (net)		
	Income tax liabilities (net of advance tax)	202.35	1,061.21
	Total	202.35	1,061.21



Notes forming part of the Financial Statements

	Amount in Rs. Lakhs	
	Year ended 31 March 2025	Year ended 31 March 2024
30 Revenue from operations		
Revenue from contracts with customers		
Engineering, procurement and construction	64,093.72	38,851.07
Operation and maintenance	2,250.58	2,137.97
Other operating revenue		
Consultancy fees	430.34	193.50
Total	66,774.64	41,182.54
Refer Note 51 for related party transactions		
31 Other income		
Interest income on financial assets at amortised cost		
- On bank deposits	111.80	144.14
- On inter corporate deposits	212.85	74.90
- Others	66.24	62.46
Interest on income tax refund	1.78	4.76
Gain on redemption of mutual fund	0.52	-
Gain on sale of property, plant and equipment (net)	-	3.03
Gain on foreign exchange transactions (net)	-	43.24
Sundry balances written back (net)	70.91	11.57
Total	464.10	344.10
32 Cost of materials consumed		
Opening stock at the beginning of the year	5,060.21	6,723.90
Add: Purchases during the year	16,425.90	10,757.30
Less: Closing stock at the end of the year	4,969.76	5,060.21
Total	16,516.35	12,420.99
Refer Note 51 for related party transactions		
33 Construction expenses		
Sub-contracting charges	24,360.05	11,455.46
Equipment / machinery hire charges	1,336.94	935.30
Transport and material handling charges	441.17	246.33
Technical consultancy charges	1,974.96	1,416.05
Rent	90.72	46.88
Rates and taxes	995.61	717.56
Power, fuel and water charges	1,903.65	947.61
Insurance charges	398.88	311.65
Security charges	290.67	183.71
Other expenses	377.73	273.73
Total	32,170.38	16,534.28
Refer Note 51 for related party transactions		
34 Employee benefits expenses		
Salaries, wages and allowances	2,482.56	1,691.74
Contribution to provident and other funds	60.66	50.92
Gratuity (Refer Note 50)	19.72	120.35
Share based payments (Refer Note 56)	545.85	-
Staff welfare expenses	17.90	13.80
Total	3,126.69	1,876.81
Refer Note 51 for related party transactions		



Notes forming part of the Financial Statements

	Amount in Rs. Lakhs	
	Year ended 31 March 2025	Year ended 31 March 2024
35 Finance costs		
Interest on borrowings		
- Term loans	161.76	164.88
- Working capital loans	35.64	190.38
- Buyer's credit	130.56	-
- Others	45.59	51.73
Interest on late payment of micro and small enterprises (Refer Note 49)	15.31	-
Interest on net defined benefit liability	18.74	9.97
Interest on lease liabilities (Refer Note 42)	1.45	7.50
Interest on income tax	182.65	-
Interest component of foreign exchange difference	48.01	-
Other interest	4.05	87.81
Bank charges and other finance costs	148.93	153.04
Total	792.69	665.31

Refer Note 51 for related party transactions

36 Depreciation and amortisation		
Depreciation on property, plant and equipment	3,808.75	1,791.92
Depreciation on right-of-use assets	41.88	45.68
Amortisation of intangible assets	13.58	1.48
Total	3,864.21	1,839.08

37 Other expenses		
Electricity charges	1.47	3.40
Repairs and maintenance	25.88	12.47
Rent	54.98	11.20
Rates and taxes	40.01	1.47
Insurance	39.58	58.99
Legal and professional charges	471.67	173.14
Printing and stationary expenses	13.68	19.59
Directors sitting fees	4.90	-
Payment to auditors		
- Audit fees	8.00	6.37
- Other matters	1.00	1.00
Traveling and conveyance expenses	37.21	32.96
Corporate social responsibility (Refer note no 55)	104.00	68.00
Donations #	30.00	360.50
Vehicle running expenses	12.62	5.32
Communication expenses	7.57	10.45
Business promotion expenses	12.50	-
Exchange difference (net)	3.80	-
Loss on sale of property, plant and equipment (net)	52.70	-
Bad debts	15.00	23.37
Impairment allowance on trade receivables (Refer note no 45B)	50.61	-
Miscellaneous expenses	69.32	50.01
Total	1,056.50	838.24

Refer Note 51 for related party transactions

The Company has made political contributions of Rs. 30.00 Lakhs (31 March 2024 : Rs. 360.50 Lakhs, including through Electoral Bonds).

38 Exceptional items (Expense)		
Service tax liability	-	1,271.85
Interest on Service tax liability	190.78	3,105.10
Total	190.78	4,376.95

Refer Note 58 for exceptional items



39 Income tax

a) The major components of income tax are as under:

	Amount in Rs. Lakhs	
	Year ended 31 March 2025	Year ended 31 March 2024
i) Income tax related to items recognised in Statement of profit and loss during the year		
Current tax		
Current tax on taxable income for the year	2,935.75	2,239.33
Current tax for earlier years	185.42	3.11
Total current tax expenses	3,121.17	2,242.44
Deferred tax		
Relating to origination and reversal of temporary differences	(361.30)	(1,069.21)
Total deferred tax charge/ (credit)	(361.30)	(1,069.21)
Tax expense reported in the Statement of profit and loss	2,759.87	1,173.23
ii) Tax related to items recognized in other comprehensive income (OCI) during the year		
Tax on remeasurement (gains)/losses on defined benefit plan	(0.65)	(1.03)
Tax charged to other comprehensive income	(0.65)	(1.03)

b) Reconciliation of tax expense and the accounting profit multiplied by tax rate

	Amount in Rs. Lakhs	
	Year ended 31 March 2025	Year ended 31 March 2024
Accounting profit before tax	9521.14	2974.98
Statutory income tax rate	25.17%	25.17%
Tax at statutory income tax rate	2,396.28	748.74
Tax on disallowable expenses and allowable deductions	79.04	120.74
Tax in respect of earlier years	185.42	3.11
Share in differential tax on JV's profit and other allowances	99.13	213.85
Tax effect on transition from old to new tax regime #	0.00	86.78
Tax expense reported in the statement of profit and loss	2759.87	1173.23

c) The movement in net deferred tax assets and (liabilities)
For the year ended on 31 March 2025

	Carrying value as at 1 April 2024	Charge / (credit) to Statement of profit and loss	(Charge) / credit to Other comprehensive income (OCI)	Carrying value as at 31 March 2025
Deferred tax assets/(liabilities)				
Property, plant and equipment	538.27	275.39	-	813.66
Employee retirement benefits	66.27	4.50	0.65	71.42
Expenses allowable on payment basis	1,101.59	69.42	-	1,171.01
Provision for impairment allowance on trade receivables	-	12.74	-	12.74
Others	0.75	(0.75)	-	-
Total	1,706.88	361.30	0.65	2,068.83

For the year ended on 31 March 2024

	Carrying value as at 1 April 2023	Charge / (credit) to Statement of profit and loss	(Charge) / credit to Other comprehensive income (OCI)	Carrying value as at 31 March 2024
Deferred tax assets/(liabilities)				
Property, plant and equipment	598.32	(60.05)	-	538.27
Employee retirement benefits	38.13	27.11	1.03	66.27
Expenses allowable on payment basis	-	1,101.59	-	1,101.59
Others	0.19	0.56	-	0.75
Total	636.64	1,069.21	1.03	1,706.88

During the previous year ended 31 March 2024, the Company elected to exercise the option available under Section 115BAA of the Income Tax Act, 1961. Accordingly, the Company remeasured its net deferred tax assets basis the income tax rate prescribed in the said section, which resulted in one time charge of Rs. 86.79 Lakhs in the statement of profit and loss for the year ended 31 March 2024.

Notes forming part of the Financial Statements

40 Earnings per share (EPS)

	As at 31 March 2025	As at 31 March 2024
Profit attributable to equity shareholders of the Company (Rs. In Lakhs)	6,761.27	1,801.75
Weighted average number of equity shares for basic EPS	17,35,720	17,35,720
Add : Effect of dilution		
Conversion of share warrants of Rs. 10 each (number)	53,729	-
Weighted average number of equity shares for diluted EPS	17,89,449	17,35,720
Face value of each equity share (Rs.)	10	10
Earnings per share		
Basic earning per share (in Rs.)	389.54	103.80
Diluted earnings per share (in Rs.)	377.84	103.80

41 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder's value.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt - long term and short term borrowings less cash and cash equivalents and other bank balances (excluding earmarked bank deposits).

		Amount in Rs. Lakhs	
		As at 31 March 2025	As at 31 March 2024
Borrowings (Non-current and current)		4,919.54	3,437.30
Less : Cash and cash equivalents (including other bank balances)		4,736.78	1,192.16
Net debt	A	182.76	2,245.14
Equity share capital		173.57	173.57
Other equity		28,944.10	21,638.93
Total capital	B	29,117.67	21,812.50
Capital and net debt	C = A + B	29,300.43	24,057.64
Gearing ratio (%)	A / C	0.62%	9.33%

42 Leases under Ind AS 116

- a) The Company has office premises and equipments under operating lease agreements that are renewable on periodic basis at the option of both the lessor and lessee. The initial tenure of leases is generally for 12-36 months and are cancellable/ non-cancellable at the option of both the parties.
- b) The details of right-of-use assets and lease liabilities are as follows:

	Amount in Rs. Lakhs	
	As at 31 March 2025	As at 31 March 2024
i) Details of right of use assets held by the Company is as follows:		
Opening Balance	41.88	87.56
Add: Additions during the year	-	-
Less: Deletion during the year	-	-
Less: Depreciation	41.88	45.68
Net carrying amount	-	41.88
ii) Details of lease liability of the Company is as follows:		
Opening Balance	36.55	82.85
Add: Additions during the year	-	-
Less: Deletion during the year	-	-
Add: Accretion of interest	1.45	7.50
Less: Payments of interest and principal	(38.00)	(53.80)
Net carrying amount	-	36.55
iii) Following are the amounts recognised in the statement of profit and loss:		
Depreciation of right-of-use assets	41.88	45.68
Interest expenses on lease liabilities	1.45	7.50
Expenses related to short term and low value leases	1,482.64	993.38
Total amount recognised in the statement of profit and loss	1,525.97	1,046.56

The Company had total cash outflows for leases of Rs. 38.00 Lakhs (31 March 2024 Rs. 53.80 Lakhs).

The Company has elected not to apply the requirements of Ind AS 116 to short term leases of all the assets that have a lease term of twelve months or less and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight line basis over the lease term. Accordingly, they have been accounted for by applying paragraph 6 of Ind AS 116 - Leases.

Minimum lease obligations payable under non-cancellable leases are as follows :

	Amount in Rs. Lakhs	
	Year ended 31 March 2025	Year ended 31 March 2024
Within 1 year	2.17	-
Between 1 to 5 years	-	-
Later than 5 years	-	-

The maturity analysis of lease liabilities is given in Note 45 C - Liquidity risk

43 Segment Reporting

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



Notes forming part of the Financial Statements

44 Fair value measurement

i) Financial instrument by category

The carrying values and fair values of financial instruments by categories are as follows:

	Amount in Rs. Lakhs			
	As at		As at	
	31 March 2025		31 March 2024	
	Amortised Cost	FVTPL	Amortised Cost	FVTPL
Financial Assets				
Investment *	-	-	-	-
Trade receivables	13,373.66	-	8,210.95	-
Cash and cash equivalents	4,780.89	-	1,236.27	-
Bank balances other than above	682.34	-	315.54	-
Loans	5.32	-	5.34	-
Other financial assets	4,312.52	19.95	3,487.93	-
Total Financial assets	23,154.73	19.95	13,256.03	-
Financial liabilities				
Borrowings	4,919.54	-	3,437.30	-
Trade payables	15,759.71	-	9,440.73	-
Lease liabilities	-	-	36.55	-
Other financial liabilities	730.14	-	226.41	-
Total Financial liabilities	21,409.39	-	13,140.99	-

* Investment of Rs. 1.00 Lakhs (31 March 2024 Rs. Nil Lakhs) in subsidiary classified as equity instrument have been accounted at historical cost. Since these are out of scope of Ind AS 109 for the purpose of measurement, the same have not been disclosed in the tables above.

ii) Fair value hierarchy

a) Financial instrument measured at fair value

The fair values of the financial assets and liabilities are included at the amount that would be received on sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the Indian Accounting Standards. An explanation for each level is given below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted price.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. Instruments in the level 2 category for the Company include foreign exchange forward contracts.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in this level.

b) Financial instrument measured at amortised cost

The carrying amount of financial assets and financial liabilities measured at amortised cost in the Financial Statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled in short term.

iii) Financial assets and liabilities measured at fair value through profit or loss at each reporting date

Amount in Rs. Lakhs					
	As at 31 March 2025				
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial assets measured at FVTPL					
Other financial assets:					
Derivative instruments - foreign exchange forward contract	19.95	19.95	-	19.95	-
Total	19.95	19.95	-	19.95	-

During the financial year 2023-24, no financial instruments were measured at FVTPL and therefore, fair value hierarchy is not applicable.

iv) Valuation techniques used to determine fair value:

The fair value of foreign exchange forward contracts is determined using forward exchange rates at the balance sheet date.

45 Financial risk management

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The Company's financial risk management policy is set by the board of directors. The Company is exposed to market risk - foreign currency and interest rate, credit risk and liquidity risk.

A. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in respective market risks.



Notes forming part of the Financial Statements

a. 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 fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company manages the interest rate risk by having a balanced portfolio of fixed and variable rate borrowings. The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

i) Interest rate risk exposure

	Amount in Rs. Lakhs	
	As at 31 March 2025	As at 31 March 2024
Variable rate borrowings	3,353.63	1,287.07
Fixed rate borrowings	1,565.91	2,150.23
Total borrowings	4,919.54	3,437.30

ii) Interest rate sensitivity

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

Effect on Profit before tax	As at 31 March 2025	As at 31 March 2024
Interest rates : (Increase) by 50 basis points	(16.77)	(6.44)
Interest rates : (Decrease) by 50 basis points	16.77	6.44

b. Foreign currency risk

A) Unhedged:

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to buyer's credit and creditors for operating and capital expenditure. The Company's foreign currency risks are identified, measured and managed at periodic intervals in accordance with the Company's policies.

As at 31 March 2025, Company's foreign currency exposure amounts to Rs.3,169.44 Lakhs (31 March 2024 Rs. 2,375.13 Lakhs).

i) Foreign currency risk exposure

Given below is the unhedged foreign currency exposure arising from the non derivative financial instruments:

	Foreign Currency Amount in Lakhs		Reporting Currency Amount Rs. In Lakhs	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Trade payables				
USD	20.13	13.05	1,723.03	1,088.06
GBP	0.40	-	44.03	-
Borrowings - Buyer's credit				
USD	0.87	-	74.23	-
SGD	20.85	20.84	1,328.15	1,287.07
Total			3,169.44	2,375.13

ii) Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD, SGD & GBP exchange rates, with all other variables held constant.

	Change in rate	Increase / (decrease) in profit before tax		
		SGD	USD	GBP
31 March 2025	5%	(66.41)	(89.86)	(2.20)
	-5%	66.41	89.86	2.20
31 March 2024	5%	(64.35)	(54.40)	-
	-5%	64.35	54.40	-

B) Hedged:

i) The following table gives details in respect of outstanding foreign exchange forward contracts

	Foreign Currency (USD) Amount in Lakhs		Reporting Currency Amount in Lakhs	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Forward contract #	22.80	-	1,951.26	-

Only principal amount is hedged.

ii) The foreign exchange forward contracts mature within 12 months. The table below analyses the derivative financial instruments into relevant maturity groupings based on the remaining period as of the balance sheet date:

	Reporting Currency Amount in Lakhs	
	31 March 2025	31 March 2024
Not later than six months	1951.26	-
Later than six months and not later than twelve months	-	-



Notes forming part of the Financial Statements

B. Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Financial instruments that are subject to credit risk and concentration thereof principally consist of trade receivables, contract assets, security deposits, deposit with banks, loans, others receivables and cash and cash equivalents.

Impairment of financial assets :

The Company has three types of financial assets that are subject to expected credit loss model:

1. Trade Receivables
2. Contract Assets
3. Loans and Other receivables

While cash and cash equivalents and deposits with banks are subject to impairment requirements of Ind AS 109, the identified impairment on these assets is Nil.

For trade receivables and contract assets : Management makes the assessment of the credit risk on trade receivables and contract assets considering the customer profile. Customers of the Company mainly consists of the government promoted entities and some large private corporates. Government promoted entities, which forms the majority of the revenue, credit risk is low.

Considering the nature of business, each contract and its customer is evaluated for the purpose of assessment of loss allowances. The reasons for loss allowances could be recovery of claims, disputes with customer, customers ability to pay, delays in approval by government authorities, and expected time to recover the amount. Management makes an assessment considering facts of each contract, past trends, terms of the contract and accordingly considers the need for loss allowances, if any.

For Loans and Other receivables : The Company's loans and other receivables are considered to be with low risk.

The following table gives details in respect of percentage of revenue generated from government promoted entities and private corporates :

	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from government promoted entities	93.84%	99.53%
Revenue from private corporates	6.16%	0.47%
	100.00%	100.00%

The movement in loss allowance for expected credit loss on trade receivables is as below:

	Amount in Rs. Lakhs	
	As at 31 March 2025	As at 31 March 2024
Opening balance	-	-
Loss allowance during the year	50.61	-
Closing balance	50.61	-

The Company applies the expected credit loss (ECL) model for measurement and recognition of impairment losses on trade receivables. The Company follows the simplified approach for recognition of impairment allowance on trade receivables. The application of the simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment allowance based on lifetime ECLs at each reporting date. ECL impairment loss allowance (or reversal) for the year is recognized in the Statement of profit and loss under the head "Other expenses" or "Other income".

The ageing analysis of the gross trade receivables has been considered from the date the invoice falls due:

	Amount in Rs. Lakhs	
	As at 31 March 2025	As at 31 March 2024
Not due	6,059.08	5,514.01
Upto 6 months	6,304.15	1,956.69
More than 6 months	1,061.04	740.25
Total	13,424.27	8,210.95

C. Liquidity Risk

a) Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

b) Exposure to liquidity risk

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on the contractual undiscounted payments.

	Amount in Rs. Lakhs				
As at 31 March 2025	Carrying Amount	Total	Less than 1 year	1 to 5 years	Beyond 5 years
Lease liabilities	-	-	-	-	-
Long term borrowings #	4,526.57	4,955.65	1,100.81	3,854.84	-
Short term borrowings	392.97	392.97	392.97	-	-
Trade payables	15,759.71	15,759.71	14,704.77	1,054.94	-
Other financial liabilities	730.14	730.14	730.14	-	-
As at 31 March 2024	Carrying Amount	Total	Less than 1 year	1 to 5 years	Beyond 5 years
Lease liabilities	36.55	49.00	49.00	-	-
Long term borrowings #	3,437.30	3,844.21	1,190.09	2,654.12	-
Short term borrowings	-	-	-	-	-
Trade payables	9,440.73	9,440.73	7,933.74	1,506.99	-
Other financial liabilities	226.41	226.41	226.41	-	-

total includes future interest obligations



Notes forming part of the Financial Statements

46 Ageing schedule of non-current and current trade receivables

	Outstanding for following periods from due date of payment						Amount in Rs. Lakhs
	Total						
	Not due	less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 yrs	more than 3 years	
As at 31 March 2025							
Undisputed trade receivables -considered good	6,057.27	6,303.80	102.96	240.72	228.83	440.08	13,373.66
Undisputed trade receivables -which have significant increase in credit risk	1.81	0.35	0.01	9.35	13.01	26.08	50.61
Undisputed trade receivables -credit impaired	-	-	-	-	-	-	-
Disputed trade receivables -considered good	-	-	-	-	-	-	-
Disputed trade receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables -credit impaired	-	-	-	-	-	-	-
Total	6,059.08	6,304.15	102.97	250.07	241.84	466.16	13,424.27
Less: Impairment allowance	1.81	0.35	0.01	9.35	13.01	26.08	50.61
Total trade receivables (Net)	6,057.27	6,303.80	102.96	240.72	228.83	440.08	13,373.66
As at 31 March 2024							
Undisputed trade receivables -considered good	5,514.01	1,956.69	257.06	432.41	1.18	49.60	8,210.95
Undisputed trade receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables -credit impaired	-	-	-	-	-	-	-
Disputed trade receivables -considered good	-	-	-	-	-	-	-
Disputed trade receivables -which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables -credit impaired	-	-	-	-	-	-	-
Total	5,514.01	1,956.69	257.06	432.41	1.18	49.60	8,210.95
Less: Impairment allowance	-	-	-	-	-	-	-
Total trade receivables (Net)	5,514.01	1,956.69	257.06	432.41	1.18	49.60	8,210.95

47 Ageing Schedule of non-current and current trade payables

	Outstanding for following periods from due date of payment						Amount in Rs. Lakhs
	Total						
	Unbilled	Not due	Less than 1 year	1 - 2 years	2 - 3 yrs	More than 3 years	
As at 31 March 2025							
Dues of MSME	37.48	2,269.54	46.26	-	-	-	2,353.27
Acceptances	-	472.96	-	-	-	-	472.96
Dues of Creditors other than MSME	141.85	2,880.69	8,523.09	630.64	230.65	526.55	12,933.48
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
Total	179.33	5,623.19	8,569.35	630.64	230.65	526.55	15,759.71
As at 31 March 2024							
Dues of MSME	-	244.26	375.19	-	-	-	619.45
Acceptances	-	251.07	-	-	-	-	251.07
Dues of Creditors other than MSME	406.46	1,690.57	5,599.51	320.79	29.83	523.05	8,570.21
Disputed Dues - MSME	-	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-	-
Total	406.46	2,185.90	5,974.70	320.79	29.83	523.05	9,440.73



Notes forming part of the Financial Statements

48 Contingencies and commitments

A. Contingent liabilities

	Amount in Rs. Lakhs	
	As at 31 March 2025	As at 31 March 2024
Claims against the Company not acknowledged as debts #		
Disputed income tax liability	1,287.60	11.71
Disputed value added tax liability	105.34	105.34
Disputed goods and service tax liability	307.10	-

includes Company's share in contingent liabilities of joint operations

a) The amount represents the best possible estimate arrived at on the basis of available information. The Company has engaged reputed professionals to protect its interest and has been advised that it has strong legal positions against such disputes.

b) The Company has received legal notices of claims / lawsuits filed against it relating to other matters. In the opinion of the management, no material liability is likely to arise on account of such claims/ law suits. Hence, the value of these matters are not disclosed above. Further, the Company has filed claims / counter claims for various matters and engaged reputed professionals to protect the interest of the Company.

c) The Company has received a show cause notice (SCN) from the Service Tax department in respect of which provision is made in the books of account towards the principal amount and interest (Refer Notes 21, 38, and 58 of the financial statements). In respect of the penalty amount of Rs. 1,070.24 Lakhs as per the SCN, basis the legal opinion obtained, the management is of the view that no liability is likely to arise on account of this penalty and hence no provision has been made in the books of account.

B. Capital commitments

Estimated amount of contracts remaining to be executed on capital account related to property plant and equipment (net of advances)	527.71	3,484.39
---	--------	----------

C. Guarantees

Bank guarantees issued	561.30	654.81
------------------------	--------	--------

49 Disclosure under the Micro, Small and Medium Enterprises Development Act , 2006 (The Act) are given as follows:

	Amount in Rs. Lakhs	
	As at 31 March 2025	As at 31 March 2024
a) The principal amount remaining unpaid to supplier as at the end of accounting year #	2,425.50	640.57
b) The interest due thereon remaining unpaid to supplier at the end of accounting year	15.30	-
c) The amount of interest paid in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.	15.30	-
e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	15.30	-
f) The amount of 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	15.30	-

Note : The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available to the Company.

includes dues of micro and small enterprises of Rs. 72.22 Lakhs (31 March 2024: Rs. 21.12 Lakhs) payable to capital creditors shown under Note 26 'Other current financial liabilities'.



Notes forming part of the Financial Statements

50 Gratuity and other post employment benefits plans

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

a. The Company initiated annual contributions from current year to the employees' gratuity fund scheme, a funded defined benefit plan which is managed by Star Union Dai-ichi Life Insurance Company Limited. The present value of obligation is determined based on actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

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

	Amount in Rs. Lakhs	
	Year ended 31 March 2025	Year ended 31 March 2024
i) Net expenses recognised during the year in the statement of profit and loss		
Current service cost	19.72	13.09
Interest cost (net)	15.86	8.11
Past service cost	-	107.26
Net expenses recognised in statement of profit and loss	35.58	128.46
ii) Net expenses recognised during the year in other comprehensive income (OCI)		
Actuarial (gains) / losses arising from changes in financial assumptions	3.39	2.81
Actuarial (gains) / losses arising from changes in experience assumptions	(0.80)	(2.59)
Net expenses recognised in other comprehensive income #	2.59	0.22
# Net expenses recognised in statement of profit & loss for the year ended 31 March 2024 was Rs. 3.57 Lakhs - which includes Rs. 3.35 Lakhs related to the rectification of an error from the earlier year.		
iii) Net liability recognised in the balance sheet		
Fair value of plan assets	34.80	-
Less: Present value of obligation	248.04	219.72
Net liability recognized in balance sheet	213.24	219.72
iv) Reconciliation of opening and closing balances of defined benefit obligation		
Defined benefit obligation as at the beginning of the year	219.72	107.84
Service cost	19.72	120.35
Interest cost	15.86	8.11
Expenses recognised in OCI	2.60	0.22
Benefits directly paid by the Company	(9.86)	(16.80)
Defined benefit obligation at the end of the year	248.04	219.72
v) Reconciliation of opening and closing balance of fair value of plan assets		
Fair value of plan assets at the beginning of the year	-	-
Employer contribution during the year	34.80	-
Fair value of plan assets at year end	34.80	-
vi. Reconciliation of opening and closing balance of net defined benefit obligation		
Net defined benefit obligation as at the beginning of the year	219.72	107.84
Current service cost	19.72	13.09
Interest cost (net)	15.86	8.11
Past service cost	-	107.26
Actuarial (gain) / loss on obligation	2.60	0.22
Benefits directly paid by the Company	(9.86)	(16.80)
Contribution paid to the fund during the year	(34.80)	-
Net defined benefit obligation at the end of the year	213.24	219.72



Notes forming part of the Financial Statements

vii) **The significant actuarial assumptions are as follows:**

	As at 31 March 2025	As at 31 March 2024
Discount rate (per annum)	7.22%	7.52%
Rate of escalation in salary (per annum)	5.00%	5.00%
Attrition rate	3.00%	3.00%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

viii) **Quantitative sensitivity analysis**

	Sensitivity level	As at 31 March 2025	As at 31 March 2024
Impact of changes in key assumptions - Increase / (decrease) in defined benefit obligation			
Discount rate	1% increase	(8.11)	(9.00)
	1% decrease	9.45	10.14
Salary increase	1% increase	9.53	10.26
	1% decrease	(8.32)	(9.26)
Attrition Rate	1% increase	0.46	0.88
	1% decrease	(0.62)	(1.04)

ix) **Maturity analysis of projected benefit obligation**

	As at 31 March 2025	As at 31 March 2024
1st following year	159.47	16.47
2nd following year	7.38	11.04
3rd following year	3.07	146.43
4th following year	4.69	5.31
5th following year	12.99	4.18
Sum of 6th & succeeding following years	172.07	154.44

The weighted average duration of defined benefit obligation is 5 years (31 March 2024 - 6 years)

Notes

1. Amounts recognized as an expense and included in the Note 34 "Employee benefits expense" are gratuity of Rs 19.72 Lakhs (31 March 2024 Rs 120.35 Lakhs, including of past service cost of Rs 107.26 Lakhs) and leave encashment of Rs 41.98 Lakhs (31 March 2024 Rs 20.08 Lakhs). Net interest cost on defined benefit obligation recognised in Note 35 under "Finance costs" is Rs 18.74 Lakhs (31 March 2024 Rs 9.97 Lakhs), which includes net interest cost towards gratuity is Rs. 15.86 Lakhs (31 March 2024 Rs. 8.11 Lakhs) and towards leave encashment is Rs.2.88 Lakhs (31 March 2024 Rs. 1.86 Lakhs).

2. The estimate of future salary increases considered in the actuarial valuation, takes into account the rate of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

3. Contribution to provident and other funds which is a defined contribution plan is recognized as an expense in Note 34 "Employee benefit expenses" of the financial statements.

4. The Company is exposed to various actuarial risk, which are as follows:

- Salary escalation risk: Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.
- Demographic risk: Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.
- Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.
- Interest rate risk: If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.



Notes forming part of the Financial Statements

51 Disclosure as required by Ind AS 24 - Related Party disclosures

	Principal activities	Extent of holding		Principal place of business
		As at 31 March 2025	As at 31 March 2024	
a) Holding entity				
Welspun Enterprises Limited (w.e.f 27 July 2023)	Infrastructure	60.09%	50.10%	India
b) Wholly owned subsidiary				
Welspun Smartops Limited (w.e.f. 28 January 2025)	Engineering & Technology	100%	-	India

c) Directors / Key Managerial Personnel (KMP)

Name of the related parties	Date of Appointment / Cessation	Nature of Relationship
Mr. Saurin M Patel		Managing Director
Mr. Santosh Kumar Verma	w.e.f. 21 August 2023	Whole-time Director
Mr. Rajesh R. Mandawewala	w.e.f. 21 August 2023	Director
Mr. Sandeep Garg	w.e.f. 21 August 2023	Director
Mr. Devendra Krishna Patil	Cessation w.e.f. 28 January 2025	Director
Mr. Aayushman Rajesh Nuwal	w.e.f. 25 May 2023	Nominee Director
Mr. Aditya Vikram Harlalka	w.e.f. 29 January 2024	Director
Mrs. Mala Arun Todarwal	w.e.f. 15 February 2024	Independent Director
Mr. Ashish Gupta	w.e.f. 23 July 2024	Independent Director
Mr. Abhishek Chaudhary	w.e.f. 28 January 2025	Director
Mr. Rupen Pravinbhai Patel	Cessation w.e.f. 24 May 2023	Director
Mr. Ramasubramanian Kuppusubramanian	Cessation w.e.f. 24 May 2023	Director
Mrs. Amita Sachin Karia	Cessation w.e.f. 24 May 2023	Director
Mr. Duwarka Madanlal Pareek	w.e.f. 25 May 2023 and cessation w.e.f. 21 August 2023	Director
Mr. Akhil Jindal	w.e.f. 21 August 2023 and cessation w.e.f. 3 January 2024	Director

d) Firm where Director's relatives are partner
Patel Engineers

e) Relatives of Directors/ KMPs
Mrs Mohak Singh

f) Enterprise have participating rights

Authum Investment and Infrastructure Limited (upto 27 July 2023)

ARN Capital Strategies Limited (formerly known as Sansaar Housing Finance Limited) (upto 27 July 2023)

g) Other related parties with whom transactions have taken place or balances outstanding at the year end

Welspun Global Brands Limited
Welspun Corp Limited
Welspun Foundation for Health and Knowledge
Welspun Transformation Services Limited
Anjar TMT Steel Private Limited



Notes forming part of the Financial Statements

h) Transactions with related parties

Nature of transactions	Amount in Rs. Lakhs	
	Year ended 31 March 2025	Year ended 31 March 2024
Revenue from Engineering, procurement and construction	2,518.73	-
Holding entity		
Welspun Enterprises Limited	2,518.73	-
Purchase of materials	897.05	-
Other related parties		
Anjar TMT Steel Private Limited	784.21	-
Welspun Corp Limited	112.84	-
Professional fees paid	198.32	-
Holding entity		
Welspun Enterprises Limited	158.14	-
Other related party		
Welspun Transformation Services Limited	40.18	-
Rent expenses	61.13	13.40
Holding entity		
Welspun Enterprises Limited	46.73	-
Director		
Mr. Saurin M Patel	14.40	13.40
Other General expenses	49.23	27.00
Holding entity		
Welspun Enterprises Limited	18.73	-
Other related party		
Patel Engineers	30.50	27.00
Corporate Social Responsibility	100.00	-
Other Related Party		
Welspun Foundation for Health and Knowledge	100.00	-
Remuneration *	360.33	277.31
Directors		
Mr. Saurin M Patel	188.00	188.00
Mr. Santosh Kumar Verma	172.33	89.31
Directors sitting fees and remuneration paid / provided	13.60	-
Directors		
Mrs. Mala Arun Todarwal	2.70	-
Mr. Ashish Gupta	10.90	-
Business promotion expenses	1.18	-
Other related party		
Welspun Global Brands Limited	1.18	-
Investment	1.00	-
Wholly owned subsidiary		
Welspun Smartops Limited	1.00	-
Inter-corporate deposits received	-	5,000.00
Holding entity		
Welspun Enterprises Limited	-	2,500.00
Other related party		
Authum Investment and Infrastructure Limited	-	2,500.00
Repayment of inter-corporate deposits	-	5,000.00
Holding entity		
Welspun Enterprises Limited	-	2,500.00
Other related party		
Authum Investment & Infrastructure Limited	-	2,500.00
Interest on inter-corporate deposits	-	71.16
Holding entity		
Welspun Enterprises Limited	-	19.11
Other Related Party		
Authum Investment and Infrastructure Limited	-	52.05
Hire charges		2.21
Relative of director		
Mrs. Mohak Singh		2.21
Legal and professional charges	-	16.78
Other related party		
ARN Capital Strategies Limited (formerly known as Sansaar Housing Finance Limited)	-	16.78
Money received against share warrant	-	1.30
Director		
Mr. Saurin M Patel	-	1.30

* excludes retirement benefits (employer PF contribution, gratuity, leave encashment, etc)

The Company has granted ESOP of Rs 545 Lakhs to a director during the year. Refer Note 56 of the financial statements.

Above transactions are excluding Ind AS adjustments



Welspun Michigan Engineers Limited
(Formerly known as Welspun Michigan Engineers Private Limited)
CIN : U45300MH1973PLC016515

Notes forming part of the Financial Statements

i) Closing balances as at

	As at 31 March 2025	Amount in Rs. Lakhs As at 31 March 2024
Trade payables	488.09	-
Holding entity		
Welspun Enterprises Limited	176.86	-
Other related parties		
Anjar TMT Steel Private Limited	221.81	-
Welspun Corp Limited	67.98	-
Welspun Transformation Services Limited	21.44	-
Remuneration payable to directors	64.03	23.04
Mr. Saurin M Patel	-	8.71
Mr. Santosh Kumar Verma	64.03	14.33
Lease liability	-	27.88
Director		
Mr. Saurin M Patel	-	8.68
Other related party		
Patel Engineers	-	19.20
Security deposits given	5.84	8.00
Director		
Mr. Saurin M Patel	0.84	3.00
Other related party		
Patel Engineers	5.00	5.00
Contract liabilities	1,492.27	-
Holding entity		
Welspun Enterprises Limited	1,492.27	-
Money received against share warrant	1.30	1.30
Director		
Mr. Saurin M Patel	1.30	1.30
Investment	1.00	-
Wholly owned subsidiary		
Welspun Smartops Limited	1.00	-

Note - All transactions with related parties are made on arm's length basis in the ordinary course of business.
Closing balances are considered without considering the Ind AS adjustments.



Notes forming part of the Financial Statements

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

The Company believes that the information provided under Note 30 Revenue from Operations, is sufficient to meet the disclosure objectives with respect to disaggregation of revenue under Ind AS 115, Revenue from Contracts with Customers.

A) Contract balances	Amount in Rs. Lakhs	
	As at 31 March 2025	As at 31 March 2024
Trade receivables	13,373.65	8,210.95
Contract assets	11,107.36	6,563.84
Contract liabilities	3,846.76	2,208.26

B) Reconciliation of contract assets and liabilities:	Amount in Rs. Lakhs	
	As at 31 March 2025	As at 31 March 2024
Contract assets		
At the beginning of the year	6,563.84	4,086.39
Revenue recognised during the year	64,136.04	40,963.53
Progress billings made towards contracts -in - progress	59,592.52	38,486.08
At the end of the year	11,107.36	6,563.84
Contract liabilities		
At the beginning of the year	2,208.26	25.51
Revenue recognised during the year	2,208.26	25.51
Progress billings made towards contracts-in -progress	3,846.76	2,208.26
At the end of the year	3,846.76	2,208.26

i) The contract assets primarily relate to the Company's rights to consideration for performance obligation satisfied but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. Invoices are raised on the customers based on the agreed contractual terms and are collected as per agreed payment terms.

ii) The contract liability primarily relates to the billing to the customers towards on-going Engineering, Procurement and Construction (EPC) projects in excess of cost incurred plus attributable profit for the project. Revenue is recognised from the contract liability as and when such performance obligations are satisfied.

C) There are no reconciliation items between revenue from contracts with customers and revenue recognised with contract price.

D) Disaggregation of revenue from contracts with customers

The Company has determined the categories for disaggregation of revenue considering the types/nature of contracts. The Company recognises revenue from following types of construction contracts, sale of services and sale of goods at the point in time and over time as below:



Notes forming part of the Financial Statements

Amount in Rs. Lakhs

	EPC	Operations and Maintenance	Consultancy Services	Total
Year ended 31 March 2025				
Revenue from external customers	61,574.99	2,250.58	430.34	64,255.91
Revenue from related parties	2,518.73	-	-	2,518.73
Total	64,093.72	2,250.58	430.34	66,774.64
Timing of revenue recognition				
Over time	64,093.72	2,250.58	430.34	66,774.64
Total	64,093.72	2,250.58	430.34	66,774.64
Year ended 31 March 2024				
Revenue from external customers	38,851.07	2,137.97	193.50	41,182.54
Revenue from related parties	-	-	-	-
Total	38,851.07	2,137.97	193.50	41,182.54
Timing of revenue recognition				
Over time	38,851.07	2,137.97	193.50	41,182.54
Total	38,851.07	2,137.97	193.50	41,182.54

E) Revenue recognition for future related to performance obligations that are unsatisfied (or partially satisfied)

Unsatisfied (or partially satisfied) performance obligations are subject to variability due to several factors such as terminations, changes in scope of contracts, periodic revaluations of the estimates, economic factors (changes in tax laws etc). The aggregate value of transaction price allocated to unsatisfied (or partially satisfied) performance obligations is Rs 292,442.00 Lakhs out of which 34% (31 March 2024 : Rs 163,988.00 Lakhs out of which 41%) is expected to be recognised as revenue in the next year and the balance thereafter. No consideration from contracts with customers is excluded from the amount mentioned above.

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

Amount in Rs. Lakhs

	Long term borrowings	Short term borrowings	Lease liability
As at 1 April 2024	3,437.30	-	36.55
Cash inflow	4,829.18	392.97	-
Cash outflow	(3,747.12)	-	(36.55)
Non-cash changes			
- Accrued interest	68.77	-	-
- Unrealised foreign exchange gain/ loss	(61.57)	-	-
As at 31 March 2025	4,526.57	392.97	-
As at 1 April 2023	613.87	521.31	82.84
Cash inflow	3,526.90	-	-
Cash outflow	(704.40)	(521.31)	(46.29)
Non-cash changes			
- Accrued interest	7.56	-	-
- Unrealised foreign exchange gain/ loss	(6.62)	-	-
As at 31 March 2024	3,437.30	-	36.55



Notes forming part of the Financial Statements

54 Interests in other entities

Details of the Company's interests in other entities are as under:

Sr No	Name of the entities	Place of business/ Country of incorporation	Ownership Interests	
			As at 31 March 2025	As at 31 March 2024
1	Michigan RPS Joint Venture	India	51%	51%
2	MEPL ANC Joint Venture	India	51%	51%
3	Patel Michigan JV	India	90%	90%
4	Reliance & Michigan Joint Venture	India	51%	51%
5	Reliance Michigan Joint Venture	India	60%	60%
6	Reliance Michigan Joint Venture Mithi River	India	49%	49%
7	Reliance Michigan (JV)	India	60%	60%
8	R K Madhani MEPL (JV)	India	49%	49%
9	R K Madhani MEPL LRS (JV)	India	28%	28%
10	Michigan Savitar Consortium	India	51%	51%
11	Relcon Michigan (Joint Venture)	India	49%	49%
12	Onsite Michigan JV	India	50%	50%
13	APS Michigan JV	India	50%	50%
14	MEPL Speco (JV)	India	51%	51%
15	MEPL Gyan JV	India	51%	51%
16	MEPL MCPL Joint Venture	India	50%	50%
17	J Kumar MEPL JV #	India		
	Mithi		49%	49%
	PST 1 and PST 2		40%	40%
18	Skyway Michigan (JV)	India	49%	49%

There are 3 projects in the J Kumar MEPL JV and the ownership interest has been decided at each project level.

The principal activity of all the joint ventures mentioned above is infrastructure development.

Significant judgment: Classification of joint arrangements

The Company, along with joint venture partner, has made project-wise arrangements and formed Association of Persons, whose legal form confers separation between the parties to the joint arrangement and the Company itself. Also, as per the contractual arrangements, the parties to the joint arrangement have rights to the assets and obligations for the liabilities, relating to the arrangement. Accordingly, the Joint arrangements have been identified as joint operations.

Financial impact of joint controlled operations

The Company accounts for assets, liabilities, revenue and expenses relating to its interest in joint controlled operations based on the internal agreements/arrangements entered into between the parties to the joint arrangements for execution of projects. Accordingly, the Company has consolidated on proportionate basis, its share of the following:

	Amount in Rs. Lakhs	
	Year ended 31 March 2025	Year ended 31 March 2024
Income	27,827.89	19,349.99
Expenditure (including tax)	27,171.24	18,651.74
	As at 31 March 2025	As at 31 March 2024
Total assets	9,254.98	6,946.96
Total liabilities	7,138.59	5,212.54



Notes forming part of the Financial Statements

55 Corporate Social Responsibility (CSR) Disclosure

	Amount in Rs. Lakhs	
	Year ended 31 March 2025	Year ended 31 March 2024
i. Amount required to be spent as per Section 135 of the Act		
Amount required to be spent as per Section 135 of the Act	103.52	67.06
Add: Amount unspent from previous years	-	-
Total amount required to be spent during the year	103.52	67.06
ii. Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	100.00	68.00
iii. Details related to amount spent		
Contribution in relation to:		
Ongoing projects		
Contribution to related party #	100.00	-
Contribution to other party	-	68.00
Other than Ongoing projects		
iv. Amount unspent during the year ##	4.00	-
v. Nature of CSR activities		
Promoting education	100.00	65.00
Women empowerment and care for children	-	3.00

Contribution to Welspun Foundation for Health and Knowledge ('WFHK') (Related Party)

The unspent amount towards CSR in respect of other than ongoing project will be transferred to a fund specified in Schedule VII of the Companies Act, 2013 in compliance with second proviso to sub-section (5) of section 135 of the said Act within six months of the financial year end.



Notes forming part of the Financial Statements

56 Share based payments

i) Description of share-based payment arrangements

In accordance with the Employment Agreement, the Company granted 130,179 share warrants ("Share Warrants") on 1 April 2024 at an exercise price of Rs. 985.18 per warrant. The fair value of 43,393 Tranche 1 Warrants is Rs. 254.19 Lakhs, determined at Rs. 585.80 per warrant, and the fair value of 86,786 Tranche 2 Warrants is Rs. 583.31 Lakhs, determined at Rs. 672.12 per warrant. The total fair value of the Share Warrants, amounting to Rs. 837.50 Lakhs, is being amortised on a straight-line basis over the vesting period in accordance with Ind AS 102, "Share-based Payment".

Accordingly, proportionate amount of Rs. 545.85 Lakhs (31 March 2024 - Rs. Nil Lakhs) has been recognised under "Share based payment to employees" in the statement of profit and loss (Refer note 34).

Tranche	Grant Date	Number of instruments issued	Vesting conditions	Exercise period	Vesting period
Tranche 1 Warrants	01-04-2024	43,393	On achieving certain turnover and EBITDA starting from FY 2024-25 to 2026-27	6 months	Upto 3 years
Tranche 2 Warrants	01-04-2024	86,786	On achieving certain turnover and EBITDA starting from FY 2025-26 to 2026-27	6 months	Upto 2 years

ii) Measurement of fair values

The fair value of this share-based payment arrangement has been measured using Black-Scholes Model of valuation. Service and non-market conditions attached to the arrangements were not taken into account in measuring the fair value. The inputs used in the measurement of the fair value at the grant date of the equity settled share based payment plan is as follows:

	Tranche 1 Warrants	Tranche 2 Warrants
Price of the underlying share at the time of option granted	1484.53	1484.53
Expected Volatility of share price	36.94%	36.94%
Risk free rate (on the basis of tenure) (% pa)	7.05%	7.05%
Exercise price	985.18	985.18
Time to maturity (in years)	3 years	2 years
Fair Value of Option	585.80	672.12

As at 31 March 2025 and 31 March 2024, a total amount of Rs. 1.30 Lakhs received as initial contribution is presented as "Money received against share warrants" under "Other Equity" in the Balance Sheet.

iii) Reconciliation of outstanding share warrants

The number and weighted-average exercise prices of the share warrants were as follows:

	31 March 2025		31 March 2024	
	Number of share warrants	Weighted average exercise price	Number of share warrants	Weighted average exercise price
Outstanding as on 1 April	-	-	-	-
Granted during the year	1,30,179	985.18	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the period	-	-	-	-
Outstanding as on 31 March	1,30,179	985.18	-	-
Exercisable as on 31 March	43,393	985.18	-	-
Weighted average remaining contractual life	2 years		Not Applicable	

iv) Expenses recorded in the statement of profit and loss

Total expenses arising from share-based payment transactions recognised in the statement of profit or loss as part of employee benefit expense were as follows : (Refer note 34)

	Year ended 31 March 2025	Year ended 31 March 2024
Share based payments	545.85	-
Total share-based payment expense	545.85	-



Notes forming part of the Financial Statements

57 Ratios

	Measure (in times/ in percentage)	As at 31 March 2025	As at 31 March 2024	% Variance	Reason (required if variance more than 25%)
Current Ratio	In times	1.72	1.79	-4.33	
Debt-Equity Ratio	In times	0.17	0.16	7.22	
Debt Service Coverage Ratio (DSCR)	In times	8.74	9.41	-7.09	
Return on Equity Ratio (ROE)	In percentage	26.55%	8.62%	17.94%	
Inventory Turnover Ratio	In times	3.29	2.11	56.23	Improved inventory management during the current year.
Trade Receivables Turnover Ratio	In times	6.19	7.37	-16.00	
Trade Payables Turnover Ratio	In times	3.86	4.00	-3.29	
Net Capital Turnover Ratio	In times	5.17	3.37	53.42	Increase in turnover and better working management.
Net Profit Ratio	In percentage	10.13%	4.38%	5.75%	
Return on Capital Employed (ROCE)	In percentage	17.71%	17.43%	0.27%	
Return on Investment Ratio (ROI)	In percentage	NA	NA		

Formulae for Computation of Ratios are as follows :

Current Ratio	Current assets/ Current liabilities
Debt - Equity Ratio	Debts / (Paid up equity share capital + Other equity)
	- Debt includes long term borrowings + short term borrowings + current maturities of long term borrowings
Debt Service Coverage Ratio (DSCR)	(Net Profit after taxes + Non-cash operating expenses like depreciation and other amortizations + Exceptional Items + Interest on long term debts) / (Interest on long term debts + Principal repayment on long term debts)
Return on Equity Ratio (ROE)	Net Profit after tax / Average shareholders funds
Inventory Turnover Ratio	Cost of material consumed / (Average of opening and closing inventory)
Trade Receivables Turnover Ratio	Revenue from operations/ (Average of opening and closing trade receivables)
Trade Payables Turnover Ratio	(Cost of material consumed + Construction expenses) / (Average of opening and closing trade payables)
Net Capital Turnover Ratio	Revenue from operations/ Average Working capital i.e. current assets - current liabilities
Net Profit Ratio	Net Profit after tax (Excluding OCI) / Revenue from operations
Return on Capital Employed (ROCE)	Earning before Interest, Tax & Exceptional Items / Capital employed
	Capital Employed = Net worth + Total Debt+ Deferred tax liabilities
Return on investment (ROI)	Income generated from invested funds/ Average invested fund in treasury investment



Notes forming part of the Financial Statements

58 Exceptional items

The Company was engaged as a sub-contractor by Reliance Michigan Joint Venture (JV) for a project awarded by the Municipal Corporation of Greater Mumbai (MCGM) for the training of the Mithi River. The Service Tax Department had classified the activities under "dredging services" and issued show cause notices to both the JV and the Company, leading to confirmation of demand by the Commissioner in 2015. The matter was appealed before the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), which, in its order dated 29 January 2024, remanded the case to the original adjudicating authority for de novo adjudication. The Tribunal also held that the issue involves interpretation of law and that allegations of fraud, suppression or misstatement are not sustainable. As a matter of prudence, the Company has provided for the disputed service tax liability and interest in its financial statements for the year ended 31 March 2024, and has also recognized interest accrued for the year ended 31 March 2025. The matter remains sub judice and is being contested.

59 Borrowings secured against current assets :

Details of quarter end current asset statements filed by the Company with respect to its working capital limits availed from the banks are as under:

Quarter ended	Name of the Bank	Particulars of securities provided	Amount in Rs. Lakhs		
			Amount as per books of accounts	Amount as reported in the statements	Amount of difference
30 June 2024	Axis Bank Limited / Yes Bank Limited	All current assets, movable fixed assets (excluding assets specifically charged for asset / project based finance) and negative lien on land.	17,260.78	14,539.79	2,720.99
30 September 2024	Axis Bank Limited / Yes Bank Limited		18,825.30	15,723.35	3,101.95
31 December 2024	Axis Bank Limited / Yes Bank Limited		20,685.45	16,879.71	3,805.74
31 March 2025	Axis Bank Limited / Yes Bank Limited		28,622.74	23,851.60	4,771.14

The inventory and book debts reported to the banks were lower than those reflected in the books, as details of the Company's share in the inventory and book debts for joint operations were not available at the time the stock statements were submitted.

60 Core Investment Companies (CIC)

Management has assessed that there are three CIC in the Group ('Companies in the Group' is as defined in Master Direction - Core Investment Companies (Reserve Bank) Directions, 2016, as amended).

61 The Code on Social Security, 2020 ('Code') has been notified in the Official Gazette on 29th September, 2020. The Code is not yet effective and related rules are yet to be notified. Impact, if any, of the change will be assessed and recognized in the period in which said Code becomes effective and the rules framed thereunder are notified.

62 Details of loans given, investments made, securities and guarantees provided as required by Section 186 (4) of the Companies Act, 2013

a) The Company is engaged in the business of providing infrastructural facilities as specified under Schedule VI of the Act and hence the provisions of Section 186 of the Act related to loans, investments, securities or guarantees provided are not applicable to the Company.

b) There are no investments other than as disclosed in Note 3 forming part of the financial statements.

63 Note on exemption from preparation of consolidated financial statements

The Company has investments in a subsidiary. The Holding company, Welspun Enterprises Limited, having its corporate office at Welspun House, Kamala City, Senapati Bapat Marg, Lower Parel (W), Mumbai - 400 013, India are presenting the consolidated financial statements. The Company has therefore availed the exemption under paragraph 4(a) of Ind AS 110 and have satisfied the conditions for exemption from preparing consolidated financial statements as per Companies (Accounts) Amendments Rules, 2016 and thereby does not present consolidated financial statements. Consequently, the accounting policies mentioned herein relate to the standalone financial statements of the Company.

64 Dividend

The Company has not declared and paid dividend during the current and previous year.

65 Other Statutory Information

- The Company does not have any benami property, where any proceeding has been initiated or pending against the Company for holding any benami property.
- The Company is not declared as wilful defaulter by any bank or financial institution (as defined under the Act) or consortium thereof or other lender in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- The Company does not have any charges or satisfaction of charges which are yet to be registered with the Registrar of Companies (ROC) beyond the statutory period, except for satisfaction of certain charges amounting to Rs. 3,560.09 Lakhs. The Company has initiated suitable steps to ensure satisfaction of the same.
- The Company has not revalued any of its property, plant and equipment during the year.
- The Company does not have any transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- (i) The Company has not advanced or loaned or invested funds to any other person (s) or entity (ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.



Notes forming part of the Financial Statements

(ii) The Company have not received any fund from any person (s) or entity (ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries:

h) The Company has complied with the number of layers for its holding in downstream companies prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

i) The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

j) Transactions with Struck off Companies

The following table summarises the transactions with the companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of the Companies Act, 1856 for the year ended / as at 31 March 2025 and 31 March 2024.

Name of the struck off companies	Nature of transactions	Amount in Rs. Lakhs		
		Balance outstanding as on		Relationship with the Company
		As at 31 March 2025	As at 31 March 2024	
Jaskeerat Infrasolutions Private Limited	Payables	26.87	26.87	none
Orient Overseas Container Line Limited	Payables	-	2.82	none

66 The figures for the previous year have been regrouped wherever necessary to align with the current year's presentation and disclosure requirements. These changes have been carried out to improve the comparability of the financial statements and do not have any impact on the reported net worth or net profit of the Company.

The material regroupings carried out in the financial statements are as follows:

a. Assets:

(i) Regrouped retention deposits amounting to Rs. 5,333.40 Lakhs from 'Other financial assets - current' to 'Trade receivables' (Current and Non-Current), based on contractual terms.

(ii) Regrouped deposits with clients of Rs. 817.82 Lakhs from 'Other financial assets - current' to 'Trade receivables'.

(iii) Disclosed Contract assets of Rs. 6,563.84 Lakhs on the face of balance sheet, which was earlier disclosed under 'Inventories'.

(iv) Disclosed deposits of Rs. 405.44 Lakhs with original maturity more than 12 months under 'Other financial assets - current', which was earlier disclosed under 'Cash and cash equivalents'.

(v) Regrouped other receivables amounting to Rs. 183.16 Lakhs from 'Trade receivables' to 'Other financial assets- current'.

b. Liabilities:

(i) Disclosed contract liabilities of Rs. 2,208.26 Lakhs on the face of balance sheet, which was earlier disclosed under 'Other liabilities -current'.

(ii) Regrouped retention payables of Rs. 130.11 Lakhs from 'Other financial liabilities - current' to 'Trade payables'.

(iii) Regrouped capital creditors of Rs. 65.33 Lakhs and payable to employees of Rs. 161.08 Lakhs from 'Trade payables' to 'Other financial liabilities - current'.

(iv) Disclosed buyer's credit of Rs. 1,287.07 Lakhs separately under 'Borrowings - current and non-current', which was earlier clubbed within 'Term loans'.

c. Income:

(i) Regrouped consultancy fees of Rs. 193.50 Lakhs from 'Other income' to 'Revenue from operations'.

(ii) Regrouped losses on sale of assets of Rs. 1.86 Lakhs as net of gain on sale of assets and foreign exchange loss of Rs. 25.49 Lakhs as net of foreign exchange gain under 'Other income', which were earlier disclosed under Other Expenses.

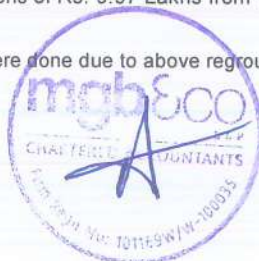
d. Expenses:

(i) Disclosed cost of material consumed of Rs. 12,420.99 separately on the face of statement of profit and loss, which was earlier disclosed under 'Construction expenses'.

(ii) Regrouped direct construction expenses of Rs. 392.84 Lakhs under 'Construction expenses', which were earlier disclosed under 'Other expenses'.

(iii) Regrouped interest on defined benefit obligations of Rs. 9.97 Lakhs from 'Employee benefit expenses' to 'Finance costs'.

Consequential changes in cash flow statement were done due to above regrouping.



Notes forming part of the Financial Statements

67 Previous year figures

The figures for the corresponding previous year have been regrouped / reclassified whenever necessary, to make them comparable.
(Refer Note 66)

As per our report of even date

For MGB & Co LLP

Chartered Accountants

Firm Registration Number 101169W/W-100035

Amit Kumar Kothari

Partner

Membership Number 222726

Place : Mumbai

Date : 13 May 2025



For and on behalf of the Board

Saurin M. Patel

Managing Director

DIN: 00909324

Place : Mumbai

Date : 13 May 2025



Santosh Kumar Verma

Whole-Time Director

DIN: 07994000

Place : Mumbai

Date : 13 May 2025

