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LLP Identity No. AAB-7509**Independent Auditor's Report****To**
The Members of
Welspun Michigan Engineers Limited**Report on the audit of the Financial Statements****Opinion**

We have audited the accompanying financial statements of Welspun Michigan Engineers Limited ("the Company"), which comprise Balance Sheet as at March 31, 2026, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flow and for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information in which are included the financial statements of 18 joint operations consolidated on a proportionate basis (hereinafter referred to as "the 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 the audit reports of 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 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 March 31, 2026, its profit, total other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

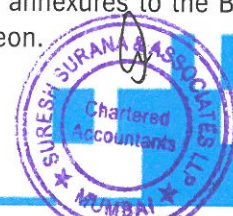
Basis for Opinion

We conducted our audit 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 made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Information Other than the Financial Statements and Auditor's report thereon

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Board Report including annexures to the Board report but does not include the Financial Statement 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 during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with Governance for the Financial Statements

The Company's Management and Board of Directors are 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), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 the 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 the Management and the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance is also responsible for overseeing the Company's financial reporting process.

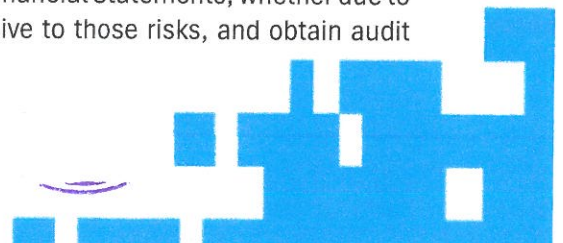
Auditor's Responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the Financial Statements 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 the Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 entity to cease to continue as a going concern.

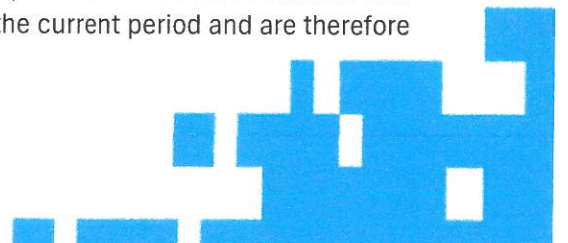
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of the joint operations within the Company 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 other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Financial Statements that individually or in aggregate makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore



the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

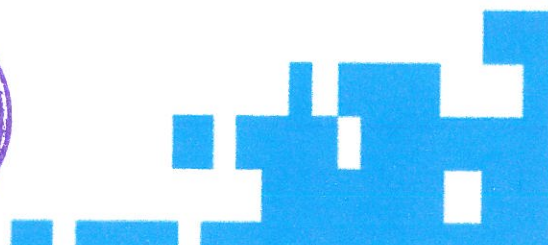
Other Matters

- We did not audit the financial statements of 6 joint operations included in the Financial Statements of the Company, whose audited financial statement reflects total assets of Rs. 12,448.34 lakhs as at 31 March 2026, total revenue of Rs. 26,199.93 lakhs and net cash inflows of Rs. 529.21 lakhs for the year ended on that date, as considered in the Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on the reports of such other auditors.
- We did not audit the financial statements of 12 joint operations included in the financial statements of the Company, whose audited financial statement reflects total assets of Rs. 611.83 lakhs as at 31 March 2026, total revenue of Rs. Nil and net cash inflows of Rs. 10.22 lakhs for the year ended on that date, as considered in the Financial Statements. These financial statements have been certified by the Company's Management and furnished to us, and our opinion, in so far as it relates to the amounts and disclosures included in respect of these joint operations, is based solely on such Management certified financial statement. According to the information and explanations given to us by the Management, the financial statements in respect of these joint operations are not material to the Company.
- The comparative information of the Company for the year ended 31 March 2025 included in these financial statements, was audited by the predecessor auditor, whose report dated 13 May 2025 expressed an unmodified opinion on those financial statements.

Our opinion on the financial statements and our report on Other Legal and Regulatory Requirements below are not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. Pursuant to the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Sub-Section (11) of Section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matters stated in the para 3(vi) below on reporting under Rule 11 of the Companies (Audit and Auditors) Rules, 2014.
 - (c) The Balance sheet, the Statement of profit & Loss including other comprehensive income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.



- (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
 - (e) On the basis of the written representations received from the directors as on March 31, 2026 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2026 from being appointed as a Directors in terms of Section 164(2) of the Act.
 - (f) The modifications relating to the maintenance of accounts and other matters connected therewith are as stated in paragraph 2(b) above on reporting under Section 143(3)(b) of the Act and paragraph 3(vi) below on reporting under Rule 11 of the Companies (Audit and Auditors) Rules, 2014.
 - (g) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure "B".
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and 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 rules thereunder.
3. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements. (Refer note 46 to Financial Statements)
 - ii. The Company has made provision as required under the applicable law or accounting standards, for material foreseeable losses, if any, in respect of long-term contracts including derivative contract;
 - iii. There were 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 their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend to 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 their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend to or invest in other persons or entities identified in any manner



whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representation under sub Clause (i) and (ii) of Rule 11(e) of The Companies (Audit and Auditors) Rules, 2014, as provided under (a) and (b) above, contains any material misstatement.
- v. No dividend has been declared or paid by the Company during the financial year covered by our audit.
- vi. The reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is as under:

Based on our examination which included test checks, the Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that no audit trail feature was enabled at the database level for direct database changes.

Further, during the course of our audit, we did not come across any instance of audit trail feature being tampered with, in respect of accounting software(s) where the audit trail has been enabled. Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the respective years.

For Suresh Surana and Associates LLP

Chartered Accountants

Firm's Registration. No.: 121750W / W-100010



Bhavesh Shah

Partner

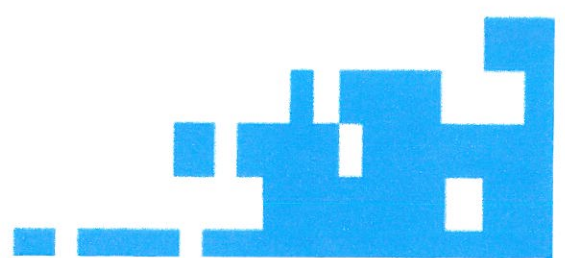
Membership No.: 100649

UDIN: 26100649JCKSAJ9321



Place: Mumbai

Date: 08 May 2026



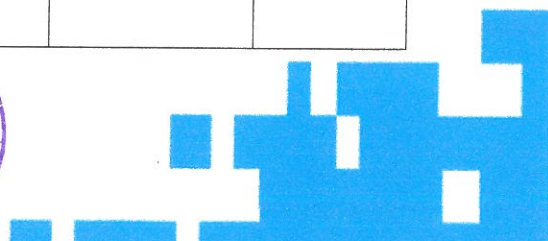
Annexure “A” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Welspun Michigan Engineers Limited of even date:

In terms of the information and explanations given to us and the books of accounts and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- i. (a) In respect of Company’s Property, Plant and Equipment (PPE) and Intangible Assets:
 - A. The Company has maintained proper records, showing full particulars, including quantitative details and situation of PPE and there are no right-of-use assets.
 - B. The Company has maintained proper records showing full particulars of intangible assets
- (b) The Company has conducted physical verification of Property, Plant and Equipment during the year at reasonable intervals. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties, disclosed in the financial statements included in PPE, are held in the name of the Company as at the balance sheet date
- (d) The Company has not revalued any of its PPE (including right- of-use assets) and intangible assets during the year and hence reporting under Clause 3(i)(d) of the Order is not applicable to the Company.
- (e) There are no proceedings initiated during the year or are pending as at March 31, 2026 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988, as amended, and Rules made thereunder.
- ii. (a) The inventories have been physically verified by the management during the year at reasonable intervals in accordance with the procedure followed by the management. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. No discrepancy of 10% or more in aggregate for each class of inventory were noticed in respect of such physical verification.
- (b) The Company has been sanctioned working capital limits in excess of five crore rupees from bank on the basis of security of current assets. According to the information and explanations given to us and on the basis of our examination of the records of the Company, quarterly returns or statements filed by the Company with such banks are not in agreement with the books of accounts of the Company, which are as under:

(Rs. In lakhs)

Quarter ended	Name of the Bank	Particulars of securities provided	Amount as per books of accounts	Amount as reported in the statements	Amount of difference #
30 June 2025	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	36,629.80	30,539.06	6,090.74
30 September 2025			34,950.60	25,547.87	9,402.73
31 December 2025			36,289.13	24,492.26	11,796.87
31 March 2026			46,117.15	27,542.22	18,574.93



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 certain Joint Venture entities were not available at the time the stock statement was submitted (Refer Note 57 to Financial Statements).

- iii. (a) During the year, the Company has made investment in mutual funds and provided interest free unsecured loans to a subsidiary and employees. The aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such Loans to employees and a subsidiary are as under:

(Rs. In lakhs)	
Particulars	Loans
Aggregate amount provided during the year	
– Loans to employees	154.00
– Subsidiary Company	0.20
Balance outstanding as at the balance sheet date in respect of above	
– Loans to employees	16.39
– Subsidiary Company	0.20

The Company has not provided advances in the nature of loans or stood guarantee or provided security to any other entity.

- b) In our opinion, the investments made and the terms and conditions of the loans provided during the year are, prima facie, not prejudicial to the interest of the Company.
- c) In respect of interest free loans granted by the Company to its employees and a subsidiary company, which are repayable on demand, there are no stipulated terms or schedule of repayment of principal or payment of interest. In view of the loan being repayable on demand, reporting on the regularity of repayment in terms of clause 3(iii)(c) is not applicable.
- d) In respect of loans granted by the 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) During the year, the Company has not renewed, extended and granted fresh loans to settle the loan granted to these parties which had fallen due during the year.
- f) The Company has granted interest free loans aggregating to Rs. 16.59 Lakhs to its subsidiary and employees which are repayable on demand. The aggregate amount of such loans and the percentage thereof to the total loans granted are as follows:

(Rs. In lakhs)		
Aggregate amount of loans:	All parties	Related parties
Repayable on demand	16.59	0.20
Percentage of loans to the total carrying value of loans	100%	1.21%

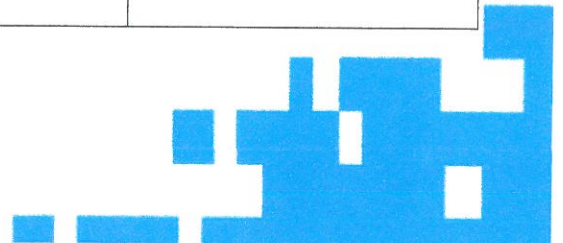
- iv. The Company is engaged in providing infrastructural facilities as specified in Schedule VI to the Companies Act, 2013. Accordingly, the provisions of Section 186 of the Act, except for sub-section (1), are not applicable to the Company.



Further, in our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and Section 186(1) of the Act in respect of loans and investments made.

- v. No deposits or amounts which are deemed to be deposits within the meaning of Section 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 have been accepted by the Company and hence reporting under Clause 3(v) of the Order is not applicable to the Company.
- 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 on the basis of our examination of the records, the Company is generally regular in depositing undisputed statutory dues including Goods and Services tax, provident fund, employees' state insurance, income tax, sales tax, custom duty, duty of excise, value added tax, cess and other material statutory dues during the year with the appropriate authorities. No undisputed amounts payable in respect of the aforesaid statutory dues were outstanding as at March 31, 2026 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records, the particulars of statutory dues referred to in sub-clause (a) as at March 31, 2026, which have not been deposited 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*	757.63	AY 2019-20 to AY 2023-24	Commissioner of Income Tax (Appeals)
	Tax Deducted at Source	6.96	Various years	TRACES
	Income tax #	16.57	Various years	Assessing Officer
	Income tax #	7.26	Various years	Central Processing Center
	Tax Deducted at Source #	1.63	Various years	TRACES
The Finance Act 1994	Service tax**	5,734.30	FY 2008-2011	Customs, Excise and Service Tax Appellate Tribunal
	Service tax #	1,325.96	FY 2008-2011	Customs, Excise and Service Tax Appellate Tribunal
The Maharashtra Value Added	Value added Tax #	99.03	FY 2010-11	Joint Commissioner of States Tax Appeal III



Tax Act, 2002				
Goods and Services Act, 2017	Goods and Service Tax #	118.12	FY 2019-2020	Appellate Tribunal
	Goods and Service Tax #	52.94	FY 2019-20 to FY 2021-22	Appellate Authority
	Goods and Service Tax ##	47.44	FY 2022-23 to 2024-25	Assistant Commissioner of State Tax
	Goods and Service Tax #	30.04	FY 2019-20 to 2021-22	Assistant Commissioner of Central Tax
	Goods and Service Tax #	37.58	FY 2022-23	Deputy Commissioner of State Tax

* Net of Amount paid under protest of Rs.210.03 Lakhs.

**Net of Amount paid under protest of Rs.94.46 Lakhs.

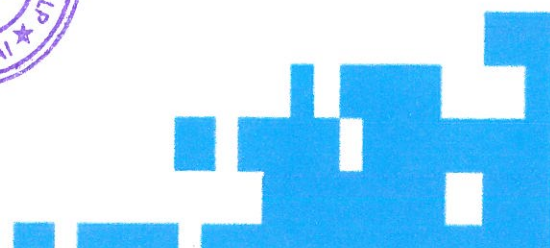
Company's share of disputed statutory dues in Joint Operations (Net of Amount paid under protest of Rs.60.23 Lakhs).

Net of Amount paid under protest of Rs.233.34 Lakhs.

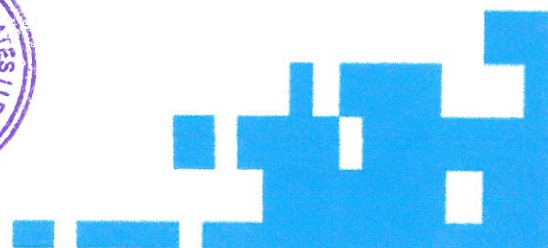
viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix.

- The Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
- The Company has not been declared as willful defaulter by any bank or financial institution or other lender.
- The Company has not obtained any term loan during the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable.
- On an overall examination of the Financial Statements, in our opinion the Company has, prima facie, not utilized funds raised on short term basis for long-term purposes.
- The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary or joint operations and there are no associates and hence reporting under Clause 3(ix)(e) of the Order is not applicable.
- The Company has not raised any loans during the year on the pledge of securities held in its subsidiary or joint operations and there are no associates and hence reporting under Clause 3(ix)(f) of the Order is not applicable.



- x. (a) The Company has not raised any money by way of initial public offer (including debt instruments) and hence reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) 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 or on the Company, noticed or reported during the year, nor have we been informed of such case by the Management.
- (b) During the year and up to the date of this report, no report under Sub Section 12 of Section 143 of the Act has been filed in Form ADT-4 by auditors as prescribed in Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented by Management, there were no whistleblower complaints received by the Company during the year.
- xii. The Company is not a Nidhi Company and hence reporting under Clause 3(xii) of the Order is not applicable to the Company.
- xiii. The transactions with related parties are in compliance with Section 177 and 188, of the Act, where applicable, and the details of related party transactions have been disclosed in the Financial Statements as required by the applicable Accounting Standards. (Refer note 49 to the Financial Statements)
- xiv. (a) The Company has an adequate internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedure.
- xv. The Company has not entered into any non-cash transactions prescribed under Section 192 of the Act with its directors or persons connected with its directors during the year and hence reporting under Clause 3(xv) of the Order is not applicable to the Company.
- xvi. (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934). Accordingly reporting under para 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause (xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.



- (d) We have been informed by the management of the Company that as at March 31, 2026 the Group (as defined in the Core Investment Companies (Reserve Bank) Directions 2016) has three Core Investment Companies (CICs) as part of the Group. We have not however, separately evaluated whether the information provided by the management is accurate and complete.
- xvii. The Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- xviii. There has been resignation of the statutory auditors during the year and we have taken into consideration the issues, objections or concerns, if any, raised by the outgoing auditors.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the 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, as at balance sheet date, the Company does not have any amount remaining unspent under Section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable. (Refer Note 53 to the Financial Statements)
- (b) The Company did not have any ongoing projects requiring transfer of unspent CSR amount to a Special Account in compliance with Section 135(6) of the Act. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable. (Refer Note 53 to the Financial Statements)

For Suresh Surana and Associates LLP

Chartered Accountants

Firm's Registration. No.: 121750W / W-100010



Bhavesh Shah

Partner

Membership No.: 100649

UDIN: 26100649JCKSAJ9321



Place: Mumbai

Date: 08 May 2026



Annexure “B” referred to in “Report on Other Legal and Regulatory Requirements” section of our report to the members of Welspun Michigan Engineers Limited of even date:

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 (the “Act”)

We have audited the internal financial controls with reference to Financial Statements of Welspun Michigan Engineers Limited (“the Company”) as of March 31, 2026 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 Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls criteria with reference to the financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Act to the extent applicable to an audit of internal financial controls with reference to the Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s 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 with reference to the financial statements.



Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, broadly, in all material respects, an adequate internal financial controls with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2026, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Suresh Surana and Associates LLP

Chartered Accountants

Firm's Registration. No.: 121750W / W-100010



Bhavesh Shah

Partner

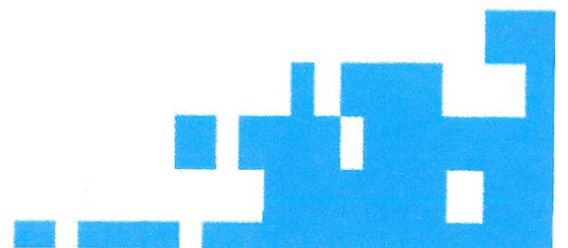
Membership No.: 100649

UDIN: 26100649JCKSAJ9321



Place: Mumbai

Date: 08 May 2026



Balance Sheet as at 31 March 2026

		Rs. In Lakhs	
	Notes	As at 31 March 2026	As at 31 March 2025
I. ASSETS			
1. Non-current assets			
(a) Property, plant and equipment	2A	12,228.22	14,671.70
(b) Intangible assets	2B	65.55	13.82
(c) Financial assets :			
(i) Investments	3	1.00	1.00
(ii) Other financial assets	4	1,042.37	1,132.00
(d) Deferred tax assets (net)	5	2,346.36	2,068.83
(e) Income tax assets (net)	6	201.71	561.52
(f) Other non-current assets	7	1,245.20	476.64
Total non-current assets		17,130.41	18,925.51
2. Current assets			
(a) Inventories	8	4,392.12	4,969.76
(b) Contract assets	9	20,967.03	11,107.36
(c) Financial assets			
(i) Investments	10	3,016.59	-
(ii) Trade receivables	11	20,758.00	13,373.65
(iii) Cash and cash equivalents	12	5,255.28	4,780.89
(iv) Bank balances other than (iii) above	13	7.74	682.34
(v) Loans	14	16.59	5.32
(vi) Other financial assets	15	2,316.32	3,200.48
(d) Other current assets	16	1,659.70	3,250.93
Total current assets		58,389.37	41,370.73
Total assets		75,519.78	60,296.24
II. EQUITY AND LIABILITIES			
1. EQUITY			
(a) Equity share capital	17	173.57	173.57
(b) Other equity	18	39,675.49	28,944.10
Total equity		39,849.06	29,117.67
LIABILITIES			
2. Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	-	3,580.75
(b) Provisions	20	4,968.62	4,769.71
Total non-current liabilities		4,968.62	8,350.46
3. Current liabilities			
(a) Contract liabilities	21	3,309.50	3,846.76
(b) Financial liabilities			
(i) Borrowings	22	300.57	1,338.79
(ii) Trade payables			
a) Dues of micro enterprises and small enterprises.	23	7,216.47	2,353.28
b) Dues of creditors other than micro enterprises and small enterprises		18,914.58	13,406.43
(iii) Other financial liabilities	24	320.56	730.14
(c) Other current liabilities	25	399.12	868.25
(d) Provisions	26	230.48	82.11
(e) Income tax liabilities (net)	27	10.82	202.35
Total current liabilities		30,702.10	22,828.11
Total equity and liabilities		75,519.78	60,296.24

Notes forming part of the financial statements

1 to 64

As per our report of even date

For Suresh Surana and Associates LLP

Chartered Accountants

Firm's Registration. No.: 121750W / W-100010

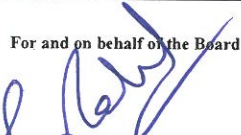


Bhavesh Shah

Partner

Membership Number: 100649

For and on behalf of the Board


Saurin M. Patel

Managing Director

DIN: 00909324


Hardik Dhebar

Chief Financial Officer


Santosh Kumar Verma

Whole-Time Director

DIN: 07994000

Place : Mumbai

Date : 08/05/2026

Place : Mumbai

Date : 08/05/2026

Statement of Profit and Loss for the year ended 31st March 2026

Rs. In Lakhs

	Note	Year ended 31 March 2026	Year ended 31 March 2025
Income			
Revenue from operations	28	87,353.40	66,774.64
Other income	29	478.52	464.10
Total income		87,831.92	67,238.74
Expenses			
Cost of material, stores and spares consumed	30	20,432.53	16,516.35
Construction expenses	31	42,135.33	32,170.38
Employee benefits expenses	32	4,372.65	3,126.69
Finance costs	33	564.03	792.69
Depreciation and amortisation	34	3,508.99	3,864.21
Other expenses	35	2,393.16	1,056.50
Total expenses		73,406.69	57,526.82
Profit before exceptional items and tax		14,425.23	9,711.92
Less: Exceptional items	36 & 56	(190.78)	(190.78)
Profit before tax		14,234.45	9,521.14
Tax expense	37		
Current tax - Current year		4,152.61	2,935.75
- Earlier years		136.83	185.42
Deferred tax charge / (credit)		(283.52)	(361.30)
Total tax expense		4,005.92	2,759.87
Profit for the year		10,228.53	6,761.27
Other comprehensive income / (loss)			
Items that will not to be reclassified to profit or loss			
Re-measurement gains / (losses) on defined benefit plans		23.79	(2.60)
Income tax effect on above		(5.99)	0.65
Other comprehensive income/(loss) for the year (net of tax)		17.80	(1.95)
Total comprehensive income for the year		10,246.33	6,759.32
Earnings per equity share of Rs.10 each fully paid up	38		
Basic EPS (Rs.)		589.30	389.54
Diluted EPS (Rs.)		556.95	377.84

Notes forming part of the financial statements

1 to 64

As per our report of even date

For Suresh Surana and Associates LLP

Chartered Accountants

Firm's Registration. No.: 121750W / W-100010

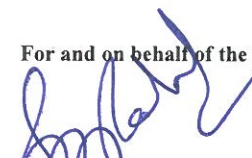


Bhavesh Shah

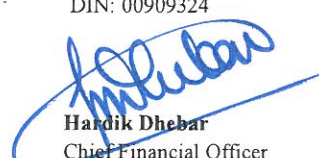
Partner

Membership Number: 100649

For and on behalf of the Board


Saurin M. Patel
Managing Director
DIN: 00909324


Santosh Kumar Verma
Whole-Time Director
DIN: 07994000


Hardik Dhebar
Chief Financial Officer

Place : Mumbai
Date : 08/05/2026

Place : Mumbai
Date : 08/05/2026

Statement of Cash flows for the year ended 31 March 2026

	Rs. In Lakhs	
	Year ended 31 March 2026	Year ended 31 March 2025
A. Cash flow from operating activities		
Profit before tax and after exceptional items	14,234.45	9,521.14
Adjustments for		
Depreciation and amortisation	3,508.99	3,864.21
Loss/ (Gain) on sale of property, plant and equipment (net)	(93.40)	52.70
Interest income	(131.05)	(390.89)
Interest on income tax refund	(5.37)	(1.78)
Gain on redemption of mutual fund	(29.94)	(0.52)
Net (gain)/loss on financial asset designated as FVTPL	(13.24)	-
Finance costs	531.96	758.64
Interest on late payment of micro enterprises and small enterprises	12.73	15.31
Interest on net defined benefit liability	19.34	18.74
Sundry balances written back (net)	-	(70.91)
Bad debts	-	15.00
Impairment allowance on trade receivables	63.14	50.61
Share based payments to employees	484.91	545.85
Foreign exchange (gain)/loss (net)	6.32	(61.69)
Operating profit before working capital changes	18,588.84	14,316.41
Decrease / (Increase) in trade and other receivables	(15,159.07)	(11,617.17)
Decrease / (Increase) in inventories	577.64	90.45
(Decrease) / Increase in trade and other payables	9,889.03	8,617.12
Net Changes in Working Capital	(4,692.40)	(2,909.60)
Cash generated from operations	13,896.44	11,406.81
Income taxes paid (net of refund)	(4,121.17)	(3,701.99)
Net cash generated from Operating Activities [A]	9,775.27	7,704.82
B. Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress, capital creditors and capital advances)	(2,388.29)	(4,666.41)
Purchase of Intangible Assets	(62.20)	(0.20)
Proceeds from sale of property, plant and equipment	144.43	5.87
Purchase of mutual fund (Net)	(2,973.41)	0.52
Investment in subsidiary	-	(1.00)
Fixed deposits (placed) / redemption of fixed deposits (net)	993.16	(633.61)
Interest received	136.42	392.67
Inter corporate deposit given	(0.20)	(4,000.00)
Inter corporate deposit given repaid	-	4,000.00
Net cash generated / (used in) from investing activities [B]	(4,150.09)	(4,902.16)
C. Cash flow from financing activities		
Proceeds from share warrants application money	0.15	-
Proceeds from long term borrowings	-	4,829.18
Repayment of long term borrowings	(4,147.55)	(3,747.12)
Repayment of lease obligation	-	(36.55)
Proceeds from / (Repayment) of short term borrowings (Net)	(392.97)	392.97
Finance cost paid	(610.42)	(696.52)
Net cash generated / (used in) from financing activities [C]	(5,150.79)	741.96
Net increase/(decrease) in cash and cash equivalents [A+B+C]	474.39	3,544.62
Cash and cash equivalents at the beginning of the year	4,780.89	1,236.27
Cash and cash equivalents at the end of the year	5,255.28	4,780.89

Welspun Michigan Engineers Limited
CIN : U45300MH1973PLC016515

Notes:

1. Components of Cash and cash equivalents

Balances with banks		
On current account	5,201.65	511.74
Deposits with original maturity of less than three months	47.96	4,026.66
Cheques on hand	-	191.01
Cash on hand	5.67	51.48
Cash and cash equivalents	5,255.28	4,780.89

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 51.

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

As per our report of even date

For Suresh Surana and Associates LLP

Chartered Accountants

Firm's Registration. No.: 121750W / W-100010



Bhavesh Shah

Partner

Membership Number: 100649

Place : Mumbai

Date : 08/05/2026

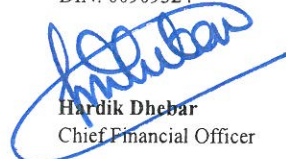
For and on behalf of the Board



Saumil M. Patel
Managing Director
DIN: 00909324



Santosh Kumar Verma
Whole-Time Director
DIN: 07994000



Hardik Dhebar
Chief Financial Officer

Place : Mumbai

Date : 08/05/2026

Statement of changes in equity for the year ended 31st March 2026

A. Equity share capital

	Refer note	Rs. In Lakhs Amount
Balance as at 1 April 2024	17(a)	173.57
Changes during the year	17 (a)	-
Balance as at 31 March 2025	17(a)	173.57
Changes during the year	17 (a)	-
Balance as at 31st March 2026		173.57

The company is not required to make any changes in equity share capital as there is no prior period error.

B. Other equity

	Notes	Reserves and surplus				Money received against share warrants	Rs. In Lakhs Total
		Securities premium	Equity settled share based payment reserve	General Reserve	Retained earnings		
Balance as at 1 April 2024		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)
Equity settled share based payment		-	545.85	-	-	-	545.85
Money received against share warrants	54	-	-	-	-	-	-
Balance as at 31 March 2025		826.44	545.85	4,073.45	23,497.06	1.30	28,944.10
Profit for the year		-	-	-	10,228.53	-	10,228.53
Remeasurements gain/(loss) of net defined benefit plans (net of tax)	18 (iii)	-	-	-	17.80	-	17.80
Equity settled share based payment		-	484.91	-	-	-	484.91
Money received against share warrants	54	-	-	-	-	0.15	0.15
Balance as at 31 March 2026		826.44	1,030.76	4,073.45	33,743.39	1.45	39,675.49

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 share 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 share based payment scheme operated by the company for its employee.

e) Money received against share warrants

Money received against share warrants, will be adjusted against allotment of equity shares pursuant to share based payment 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 64

As per our report of even date

For Suresh Surana and Associates LLP

Chartered Accountants

Firm's Registration. No.: 121750W / W-100010

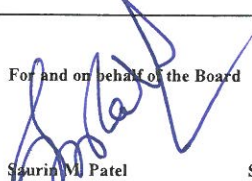


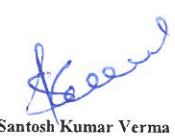
Bhavesh Shah

Partner

Membership Number: 100649

For and on behalf of the Board


Saurin M. Patel
Managing Director
DIN: 00909324


Santosh Kumar Verma
Whole-Time Director
DIN: 07994000


Hardik Dhebar
Chief Financial Officer

Place : Mumbai
Date : 08/05/2026

Place : Mumbai
Date : 08/05/2026

Welspun Michigan Engineers Limited
CIN : U45300MH1973PLC016515

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 ("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 at 7th Floor, Welspun House, Kamla City, Senapati bapat marg, Lower Parel (W), Mumbai - 400013

The Company and its joint operations 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 2026 and authorised for issue by the Board of Directors at their meeting held on 08 May 2026.

II Statement of Compliance

The financial statements have been prepared to comply in all material respects with the provisions of the Companies Act, 2013 and the Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and amendments thereto issued by Ministry of Corporate Affairs under section 133 of the Companies Act, 2013 ("the Act"), other relevant provisions of the Act and rules framed thereunder and presentation and disclosures as per Division II of Schedule III (as amended).

Basis of preparation of financial statements

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

- 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

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.

Notes forming part of the Financial Statements

Operating Cycle

Operating cycle for the business activities of the Company covers the duration of the specific project or contract and extends up to the realisation of receivables (including retention monies) within the agreed credit period normally applicable. 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.

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.

For performance obligation satisfied over time, the revenue recognition is done using input method by measuring the progress towards complete satisfaction of performance obligation. 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.

The Company transfers control of a good or service over time and therefore satisfies a performance obligation and recognises revenue over a period of time if one of the following criteria is met:

- (a) the customer simultaneously consumes the benefit of the Company's performance or
- (b) the customer controls the asset as it is being created/ enhanced by the Company's performance or
- (c) there is no alternative use of the asset and the Company has either explicit or implicit right of payment considering legal precedents,

In all other cases, performance obligation is considered as satisfied at a point in time.

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.

Significant judgments are used in:

- a. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time; revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.
- b. Determining the method to be applied to arrive at the variable consideration including variations and claims requiring an adjustment to the transaction price.

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.

Notes forming part of the Financial Statements

d) Sale of goods / materials

Revenue from sale of goods / materials is recognized when all the significant risks and rewards of ownership of the goods / materials have been passed to the buyer, usually on delivery of the goods. The Company collects goods and service tax on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

e) Contract Balances

Contract assets and contract liabilities

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

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

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

The Company recognises impairment loss (termed as provision for expected credit loss in the financial statements) on account of credit risk in respect of a contract asset using expected credit loss model on similar basis as applicable to trade receivables.

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.

f) Cost to obtain a contract

Costs to obtain a contract which are incurred regardless of whether the contract was obtained are charged-off in profit or loss immediately in the period in which such costs are incurred. Incremental costs of obtaining a contract, if any, and costs incurred to fulfil a contract are amortised over the period of execution of the contract in proportion to the progress measured in terms of a proportion of actual cost incurred to-date, to the total estimated cost attributable to the performance obligation.

g) 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').

h) 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).

i) Other income

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

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.

Notes forming part of 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. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. The carrying amount of the replaced part accounted for as a separate asset previously is derecognised. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in statement of profit and loss when incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision 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.

Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined:

- (i) in the case of an individual asset, at the higher of the fair value less costs of disposal and the value-in-use; and
- (ii) in the case of a cash generating unit (the smallest identifiable group of assets that generates independent cash flows), at the higher of the cash generating unit's fair value less costs of disposal and the value-in-use.

(The amount of value-in-use is determined as the present value of estimated future cash flows from the continuing use of an asset, which may vary based on the future performance of the Company and from its disposal at the end of its useful life. For this purpose, the discount rate (post-tax) is determined based on the weighted average cost of capital of the company suitably adjusted for risks specified to the estimated cash flows of the asset).

If recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, such deficit is recognised immediately in the Statement of Profit and Loss as impairment loss and the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount.

When an impairment loss recognised earlier is subject to full or partial reversal, the carrying amount of the asset (or cash generating unit), except impairment loss allocated to goodwill, is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss is recognised for the asset (or cash generating unit) in prior years. A reversal of an impairment loss (other than impairment loss allocated to goodwill) is recognised immediately in the Statement of Profit and Loss.

viii) Inventories

Inventories are stated at lower of cost and net realizable value.

Project materials (including consumables) includes cost of purchases and other costs incurred in bringing the inventories to the present location and condition. Cost is determined using weighted average method.

Assessment of net realisable value is made at each reporting period end and when the circumstances that previously caused inventories to be written-down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the write-down, if any, in the past period is reversed to the extent of the original amount written-down so that the resultant carrying amount is the lower of the cost and the revised net realisable value.

Notes forming part of the Financial Statements

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.

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.

The obligation towards defined benefit plans is measured at the present value of the estimated future cash flows using a discount rate based on the market yield on government securities of a maturity period equivalent to the weighted average maturity profile of the defined benefit obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset) and any change in the effect of asset ceiling (if applicable) is recognised in other comprehensive income and is reflected in retained earnings and the same is not eligible to be reclassified to profit or loss.

Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Statement of Profit and Loss as employee benefits expense. Interest cost implicit in defined benefit employee cost is recognised in the Statement of Profit and Loss under finance costs. Gains or losses on settlement of any defined benefit plan are recognised when the settlement occurs. Past service cost is recognised as expense at the earlier of the plan amendment or curtailment and when the Company recognises related restructuring costs or termination benefits.

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).

Notes forming part of the Financial Statements

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.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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 is computed by dividing the profit or loss after tax as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

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.

Notes forming part of the Financial Statements

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.

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

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

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
- v) Trade receivables, security deposits, cash and cash equivalents, bank balances, loans and other financial assets are measured at amortised cost.

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.

Notes forming part of the Financial Statements

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.

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.

Notes forming part of the Financial Statements

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 41 for segment information.

xxii) Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the profit before tax excluding exceptional items for the effects of:

- i. changes during the period in inventories and operating receivables and payables, transactions of a non-cash nature;
- ii. non-cash items such as depreciation, provisions, unrealised foreign currency gains and losses; and
- iii. all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

(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.

Notes forming part of the Financial Statements

a) Expected cost of completion of contracts with customers

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 / contract assets

Trade receivables do not carry interest and are stated at their transaction values as reduced by appropriate allowances for estimated amounts of expected credit loss. Estimated irrecoverable amounts are based on the ageing of the trade receivable balances and contract asset balances and historical experiences. Individual trade receivables are written off when management deems them not be collectible. The impairment provisions for financial assets disclosed are based on assumptions about risk of default and expected loss rates.

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due and other relevant factors. The provision matrix is initially based on the Company's historical observed default rates. The Company calibrates the matrix to adjust the historical credit loss experience with forward-looking information. The Company's historical credit loss experience and forecast of economic conditions may not be representative of customer's actual default in the future. The information about the ECLs on trade receivables and contract assets is disclosed in Note 43(B).

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 48.

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.

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 42).

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 54.

i) 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.

(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.

In May 2025, MCA notified amendments to Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. April 1, 2025. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any significant impact in its financial statements.

In August 2025, MCA notified the following amendments to:

1. Ind AS 1, Presentation of Financial Statements, applicable w.e.f. April 1, 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. The Company has no impact of these amendments in its classification criteria of current and non-current liabilities.

2. Ind AS 7, Statement of Cash Flows and Ind AS 107, Financial Instruments: Disclosures, applicable w.e.f. April 1, 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

3. Ind AS 12, International Tax Reform – Pillar Two Model Rules applicable immediately - The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This relief is immediate and applies retrospectively. The Company has reviewed the amendment and based on its evaluation has determined that it does not have any impact in its financial statements.

Notes forming part of the financial statements

2A Property, plant and equipment								Rs. In 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 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
Additions	-	-	817.23	87.21	133.40	10.62	57.58	1,106.04
Disposals	(36.52)	-	-	-	(65.47)	(0.75)	-	(102.74)
Balance as at 31 March 2026	1,544.20	358.65	25,387.27	435.81	524.02	68.66	144.04	28,462.65
b) Accumulated depreciation								
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
Charge for the year	-	6.75	3,312.79	63.65	61.04	13.06	41.20	3,498.49
Disposals	-	-	-	-	(51.02)	(0.69)	-	(51.71)
Balance as at 31 March 2026	-	285.88	15,305.84	229.95	278.40	46.90	87.46	16,234.43
c) Net carrying amount								
As at 31 March 2026	1,544.20	72.77	10,081.43	205.86	245.62	21.76	56.58	12,228.22
As at 31 March 2025	1,580.72	79.51	12,576.99	182.30	187.71	24.26	40.20	14,671.70

Notes:

- Refer Note 19 and 22 for information on Property, plant and equipment hypothecated and mortgaged as security by the Company.
- Refer Note 46 (B) for capital commitments for acquisition of Property, plant and equipment.
- Addition to plant and machinery includes borrowing cost Rs. Nil (31 March 2025 : Rs 2.60 Lakhs) and exchange difference loss of Rs. Nil Lakhs (31 March 2025: loss Rs. 20.75 Lakhs).

2B	Intangible assets	Rs. In Lakhs	
		Software	Total
a)	Gross carrying amount		
	Balance as at 01 April 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
	Additions	62.20	62.20
	Disposals	-	-
	Balance as at 31 March 2026	135.89	135.89
b)	Amortisation		
	Balance as at 01 April 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
	Additions	10.47	10.47
	Disposals	-	-
	Balance as at 31 March 2026	70.34	70.34
c)	Net carrying amount		
	Balance as at 31 March 2026	65.55	65.55
	Balance as at 31 March 2025	13.82	13.82

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Notes forming part of the financial statements

	Rs. In Lakhs	
	As at 31 March 2026	As at 31 March 2025
3 Investments - Non-current		
Investment in equity instruments - wholly owned subsidiary (at cost)		
Unquoted		
Welspun Smartops Limited		
10,000 (31 March 2025 : 10,000) equity shares of Rs. 10 each fully paid	1.00	1.00
	1.00	1.00
Aggregate book value of unquoted investments	1.00	1.00
4 Other financial assets - Non-current		
Unsecured, considered good		
Bank Deposits having original maturity of more than twelve months #	32.61	149.40
Security deposits	1,009.64	982.48
Other receivables	0.12	0.12
	1,042.37	1,132.00
# Under lien against various facilities from banks.	31.33	148.51
5 Deferred tax assets (net)		
Deferred tax assets (net) (Refer Note 37)	2,346.36	2,068.83
	2,346.36	2,068.83
6 Income tax assets		
Income tax assets (net of provision for tax)	201.71	561.52
	201.71	561.52
7 Other assets - Non-current		
Capital advances #	737.82	36.62
Prepaid expenses	120.59	236.78
Balance with government authorities	386.79	203.24
	1,245.20	476.64
# Refer Note 46 (B) capital commitments for disclosure of contractual commitment for acquisition of Property, plant and equipment		
8 Inventories		
Project materials	4,017.18	4,969.76
(including consumables and reusable inventories)		
Stock in transit	374.94	-
	4,392.12	4,969.76
9 Contract assets		
Unbilled revenue (Refer Note 50)		
Considered good	20,996.63	11,107.36
Less: Allowance for expected credit loss	(29.60)	-
	20,967.03	11,107.36

Notes forming part of the financial statements

	Rs. In Lakhs	
	As at 31 March 2026	As at 31 March 2025
10 Current investments		
Investment measured at fair value through profit and loss		
Quoted		
Investment in units of mutual funds	3,016.59	-
	3,016.59	-
Aggregate book value of quoted investments	3,016.59	-
Aggregate market value of quoted investments	3,016.59	-
11 Trade receivables - current		
Unsecured		
Considered good	20,842.14	13,373.65
Considered doubtful - which have significant increase in credit risk	-	50.61
Less: Allowance for expected credit loss (Refer Note 43(B))	(84.14)	(50.61)
	20,758.00	13,373.65
Note:		
(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 43(B).		
(ii) Trade receivables includes retentions related to construction contracts of Rs. 9083.26 Lakhs (31 March 2025 Rs. 7,810.59 Lakhs).		
(iii) Refer Note 44 for ageing of trade receivables as on 31 March 2026 and 31 March 2025.		
(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.		
(v) Refer note 49 for receivables from related party.		
12 Cash and cash equivalents		
Balance with banks :		
In current accounts	5,201.65	511.74
Deposits with original maturity period less than three months	47.96	4,026.66
Cheque on hand	-	191.01
Cash on hand #	5.67	51.48
	5,255.28	4,780.89
# Includes Rs.Nil (31 March 2025 : Rs. 45.00 Lakhs) with tax authorities.		
13 Bank balances (other than 12 above)		
Balance with banks:		
Deposits with maturity of more than three months but less than twelve	7.74	682.34
	7.74	682.34
# Under lien against various facilities from banks.	7.74	682.34

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Notes forming part of the financial statements

	Rs. In Lakhs	
	As at 31 March 2026	As at 31 March 2025
14 Loans - Current		
Unsecured, considered good		
Loans to Subsidiary (Refer Note 49)	0.20	-
Loans to employees	16.39	5.32
	16.59	5.32
15 Other financial assets - Current		
(Unsecured, considered good unless otherwise		
Security deposits		
- Customers	1,226.84	983.11
- Related parties (Refer Note 49)	5.00	5.84
- Others	172.28	152.83
Deposit with remaining maturity (original maturity more than 12	459.63	661.40
Derivative instruments at fair value through profit		
and loss		
- Foreign exchange forward contract ##	-	19.95
Other receivables		
- Joint operations	405.04	1,183.30
- Others ###	47.53	194.05
	2,316.32	3,200.48
# Under lien against various facilities from banks.	459.63	661.40
## Mark to market receivable on foreign currency forward contract.		
### Includes Rs.45 Lakhs (31 March 2025 : Nil) receivable from tax authorities		
16 Other assets - current		
Advances to suppliers and sub-contractors	605.65	1,594.46
Prepaid expenses	315.27	447.09
Balance with government authorities	738.78	1,209.38
	1,659.70	3,250.93

Notes forming part of the financial statements

		Rs. In Lakhs	
		As at 31 March 2026	As at 31 March 2025
17 Equity share capital			
Authorised Capital			
1,50,00,000 (31 March 2025 - 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 2025 - 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 2026		As at 31 March 2025	
	Number of shares	Rs. in Lakhs	Number of shares	Rs. in Lakhs
Balance as at the beginning of the	17,35,720	173.57	17,35,720	173.57
Add: Shares issued 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 2026		As at 31 March 2025	
	Number of shares	Percentage (%) of holding	Number of shares	Percentage (%) of holding
Welspun Enterprises Limited (including their nominees)	10,42,994	60.09%	10,42,994	60.09%
	10,42,994	60.09%	10,42,994	60.09%

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

	As at 31 March 2026		As at 31 March 2025	
	Number of shares	Percentage (%) of holding	Number of shares	Percentage (%) of holding
Welspun Enterprises Limited (including its nominees)	10,42,994	60.09%	10,42,994	60.09%
Saurin Manubhai Patel	2,43,001	14.00%	2,43,001	14.00%
Authum Investment and Infrastructure Limited	2,24,863	12.96%	2,24,863	12.96%
ARN Capital Strategies Limited	1,90,061	10.95%	1,90,061	10.95%
	17,00,919	98.00%	17,00,919	98.00%

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Notes forming part of the financial statements

e) Disclosure of shareholding of promoters

The details of shares held by the promoters as at 31 March 2026 and 31 March 2025 are as follows:

Promoter's name	As at 31 March 2026			As at 31 March 2025		
	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%	0.00%	10,42,994	60.09%	9.99%

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 2026.

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 54.

18 Other equity

	Rs. In Lakhs	
	As at 31 March 2026	As at 31 March 2025
Security premium	826.44	826.44
General reserve	4,073.45	4,073.45
Retained earnings	33,743.39	23,497.06
Equity settled share based payment reserve	1,030.76	545.85
Money received against share warrants (Refer Note 49)	1.45	1.30
	39,675.49	28,944.10

	Rs. In Lakhs	
	As at 31 March 2026	As at 31 March 2025
(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	23,497.06	16,737.74
Profit for the year	10,228.53	6,761.27
Add / (Less): Remeasurement gains/(losses) on defined benefit plan (net of tax)	17.80	(1.95)
	33,743.39	23,497.06
(iv) Equity settled share based payment reserve		
As per last balance sheet	545.85	-
Recognition of share based payment (Refer Note 54)	484.91	545.85
	1,030.76	545.85
(v) Money received against share warrants (Refer Note 49)		
As per last balance sheet	1.30	1.30
Received during the year	0.15	-
	1.45	1.30
Total	39,675.49	28,944.10

Notes forming part of the Financial Statements

		Rs. In Lakhs	
		As at 31 March 2026	As at 31 March 2025
19	Borrowings - Non current		
	Secured		
	Term loans from :		
	Banks (Refer note 'a' below)	300.57	1,088.48
	Financial institutions (Refer note 'b' below)	-	84.46
	Buyer's credit from banks (Refer note 'c' below)	-	3,353.63
		300.57	4,526.57
	Less: Current maturities of long term borrowing (Refer note 22)	300.57	945.82
		-	3,580.75
a)	Term loans : from banks		
	Axis Bank Limited		
	i) Term loan of Rs. 44.16 Lakhs (31 March 2025: Rs. 98.77 Lakhs) availed from a bank is secured by hypothecation of the underlying construction equipment. The loan carries an 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.256.41 Lakhs (31 March 2025: Rs.989.71 Lakhs) from a bank 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.		
b)	Term loans : From financial institutions		
	Mahindra and Mahindra Financial Services Limited		
	(i) Term loan of Nil (31 March 2025: Rs 9.00 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 Nil (31 March 2025: Rs.10.46 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 Nil (31 March 2025: Rs.30.71 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 Nil (31 March 2025: Rs.34.29Lakhs) 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.		
c)	Buyer's credit : From banks		
	Yes Bank Limited		
	i) Buyer's credit facility of Nil (31 March 2025: Rs.1,328.15 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 loan along with interest has been repaid during the year.		
	(ii) Buyer's credit facility of Nil (31 March 2025: Rs.2,025.48 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 loan along with interest has been repaid during the year.		

Notes forming part of the Financial Statements

		Rs. In Lakhs	
		As at 31 March 2026	As at 31 March 2025
20	Provisions - Non-current		
	Provision for employee retirement benefits		
	Gratuity (Refer Note 48)	147.36	143.22
	Compensated Absences (Refer Note 48)	62.75	58.76
	Others		
	Provisions for service tax * (Refer Note 56)	4,758.51	4,567.73
		4,968.62	4,769.71
	 *Movement of other provisions :		
	As per last balance sheet	4,567.73	4,376.95
	Add: Additions during the year	190.78	190.78
	Less: Utilisation/write back during the year	-	-
	Total	4,758.51	4,567.73
21	Contract liabilities		
	Unearned revenue (Refer Note 50)		
	Related party (Refer Note 49)	2,388.91	1,492.27
	Others	920.59	2,354.49
		3,309.50	3,846.76
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.			
22	Borrowings - Current		
	Current maturities of long term borrowings #		
	Secured		
	Term loan from banks	300.57	786.01
	Term loan from financial institutions	-	84.46
	Buyer's credit from banks	-	75.35
		300.57	945.82
	Unsecured		
	Payable under MSMED trade receivable discounting system (TReDS) from banks (Refer Note (a) below)	-	392.97
		300.57	1,338.79
# Refer Note 19 for security, interest and repayment terms			

- 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.

- The Company has been sanctioned working capital facilities, comprising both fund-based and non-fund-based limits, from various banks. As at 31 March 2026, the outstanding balances in the cash credit and demand loan accounts are Rs. Nil Lakhs (31 March 2025: 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.

Notes forming part of the Financial Statements

The cash credit facilities carry interest at:

12-month MCLR + 0.45% per annum

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

The statement 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 the differences mentioned in Note 57.

		Rs. In Lakhs
	As at	As at
	31 March 2026	31 March 2025
23 Trade payables - Current		
Dues of micro and small enterprises (Refer Note 47)	7,216.47	2,353.28
Dues of creditors other than micro and small		
- Acceptances	1,260.61	472.96
- Other than acceptances		
Related parties (Refer Note 49)	377.04	488.09
Other parties	17,276.93	12,445.38
	18,914.58	13,406.43
	26,131.05	15,759.71
Note :		
(i) Trade payables includes amount retained as per the terms of the contract of Rs. 3466.42 Lakhs (31 March 2025 Rs. 1437.44 Lakhs).		
(ii) Trade payables are non-interest bearing and are normally settled as per payment terms mentioned in the contract.		
(iii) Refer Note 45 for ageing of trade payables as at 31 March 2026 and 31 March 2025.		
24 Other financial liabilities - Current		
Payable to Capital creditors *	-	581.04
Payable to employees	259.52	133.80
Other payables (Refer Note 47)*	61.04	15.30
	320.56	730.14
* includes interest payable to micro and small enterprises of 28.03 Lakhs (31 March 2025 Rs. 15.30 Lakhs), refer Note		
25 Other liabilities - Current		
Statutory dues	399.12	868.25
	399.12	868.25
26 Provisions - Current		
Provision for employee retirement benefits		
Gratuity (Refer Note 48)	214.20	70.00
Compensated Absenses (Refer Note 48)	16.28	12.11
	230.48	82.11
27 Income tax liabilities (net)		
Income tax liabilities (net of advance tax)	10.82	202.35
	10.82	202.35

Welspun Michigan Engineers Limited
CIN : U45300MH1973PLC016515

Notes forming part of the financial statements

	Rs. In Lakhs	
	Year ended 31st March 2026	Year ended 31 March 2025
28 Revenue from operations		
Revenue from contracts with customers		
Engineering, procurement and construction	84,268.05	64,093.72
Operation and maintenance	2,449.31	2,250.58
Other operating revenue		
Consultancy fees	636.04	430.34
	87,353.40	66,774.64
Refer Note 49 for related party transactions and note 50 for Revenue from Contracts with customers		
29 Other income		
Interest income on financial assets at amortised cost		
- On bank deposits	65.94	111.80
- On inter corporate deposits	-	212.85
- Others	65.12	66.24
Interest on income tax refund	5.37	1.78
Gain on redemption of mutual fund	29.94	0.52
Net (gain)/loss on financial asset designated as FVTPL	13.24	-
Gain on sale of property, plant and equipment (net)	93.40	-
Others (Includes sale of material & scrap sale)	205.51	-
Sundry balances written back (net)	-	70.91
	478.52	464.10
30 Cost of materials, stores and spares consumed		
Opening stock at the beginning of the year	4,969.76	5,060.21
Add: Purchases during the year	19,854.89	16,425.90
Less: Closing stock at the end of the year	4,392.12	4,969.76
	20,432.53	16,516.35
31 Construction expenses		
Sub-contracting charges	32,667.07	24,360.05
Equipment / machinery hire charges	3,529.31	1,336.94
Transport and material handling charges	443.28	441.17
Technical consultancy charges	1,373.76	1,974.96
Rent	227.23	90.72
Rates and taxes	911.99	995.61
Power, fuel and water charges	1,156.73	1,903.65
Insurance charges	476.67	398.88
Security charges	432.88	290.67
Other expenses	916.41	377.73
	42,135.33	32,170.38
Refer Note 49 for related party transactions		

Welspun Michigan Engineers Limited
CIN : U45300MH1973PLC016515

Notes forming part of the financial statements

	Rs. In Lakhs	
	Year ended 31st March 2026	Year ended 31 March 2025
32 Employee benefits expenses		
Salaries, wages and allowances	3,550.24	2,482.56
Contribution to provident and other funds	102.02	60.66
Gratuity	148.71	19.72
Share based payments to employees	484.91	545.85
Staff welfare expenses	86.77	17.90
	4,372.65	3,126.69
Refer Note 49 for related party transactions		
33 Finance costs		
Interest on borrowings		
- Term loans	91.26	161.76
- Working capital loans	9.69	35.64
- Buyer's credit	126.29	130.56
- Others	138.53	45.59
Interest on late payment of micro and small enterprises	12.73	15.31
Interest on net defined benefit liability	19.34	18.74
Interest on lease liabilities	-	1.45
Interest on income tax	4.66	182.65
Interest on late payment of GST	16.82	-
Interest component of foreign exchange difference	-	48.01
Other interest	-	4.05
Bank charges and other finance costs	144.71	148.93
	564.03	792.69
Refer Note 49 for related party transactions		
34 Depreciation and amortisation		
Depreciation on property, plant and equipment	3,498.52	3,808.75
Depreciation on right-of-use assets	-	41.88
Amortisation of intangible assets	10.47	13.58
	3,508.99	3,864.21

Welspun Michigan Engineers Limited
CIN : U45300MH1973PLC016515

Notes forming part of the financial statements

	Rs. In Lakhs	
	Year ended 31st March 2026	Year ended 31 March 2025
35 Other expenses		
Electricity charges	3.05	1.47
Repairs and maintenance	10.20	25.88
Rent paid	90.58	54.98
Rates and taxes	4.74	40.01
Insurance	59.55	39.58
Legal and professional charges	1,401.45	471.67
Printing and stationary expenses	19.01	13.68
Directors sitting fees	27.00	4.90
Payment to auditors		
- Audit fees	11.16	8.00
- Other matters	5.35	1.00
Traveling and conveyance expenses	89.83	37.21
Corporate social responsibility (Refer Note 53)	150.38	104.00
Donations#	45.00	30.00
Exchange difference (net)	241.87	3.80
Loss on sale of property, plant and equipment (net)	-	52.70
Bad debts	-	15.00
Impairment allowance on trade receivables	63.14	50.61
Miscellaneous expenses	170.85	102.01
	2,393.16	1,056.50
Refer Note 49 for related party transactions		
# The Company has made political contributions of Rs. 45.00 Lakhs (31 March 2025 : Rs. 30.00 Lakhs).		
36 Exceptional items (Expense)		
Interest on Service tax liability	190.78	190.78
	190.78	190.78
Refer Note 56 for exceptional items		

Notes forming part of the financial statements

37 Income tax

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

	Rs. In Lakhs	
	Year ended 31st March 2026	Year ended 31 March 2025
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	4,152.61	2,935.75
Current tax for earlier years	136.83	185.42
Total current tax expenses	4,289.44	3,121.17
Deferred tax		
Relating to origination and reversal of temporary differences	(283.52)	(361.30)
Total deferred tax charge/ (credit)	(283.52)	(361.30)
Income tax expense reported in the Statement of profit and loss	4,005.92	2,759.87
ii) Tax related to items recognized in other comprehensive income (OCI) during the year		
Tax on remeasurement (benefit)/losses on defined benefit plan	5.99	(0.65)
Tax charged to other comprehensive income	5.99	(0.65)

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

	Rs. In Lakhs	
	Year ended 31st March 2026	Year ended 31 March 2025
Accounting profit before tax	14,234.45	9,521.14
Statutory income tax rate	25.17%	25.17%
Tax at statutory income tax rate	3,582.53	2,396.28
Tax on non deductible expenses and losses on which no deferred tax recognised	53.43	79.04
Tax in respect of earlier years	136.83	185.42
Share in differential tax on JV's profit and other allowances	241.03	99.13
Differential tax rate on long term capital gain	(7.90)	-
Income tax expense reported in the statement of profit and loss	4,005.91	2,759.87

c) The movement in net deferred tax assets and (liabilities)

For the year ended on 31 March 2026

	Rs. In Lakhs			
	Carrying value as at 1 April 2025	Charge / (credit) to Statement of Profit and Loss	(Charge) / credit to Other comprehensive income (OCI)	Carrying value as at 31 March 2026
Deferred tax assets/(liabilities)				
Property, plant and equipment	813.66	186.31	-	999.97
Employee benefits	71.42	39.39	(5.99)	104.82
Expenses allowable on payment basis	1,171.01	49.38	-	1,220.39
Provision for impairment allowance on trade receivables	12.74	8.44	-	21.18
Total	2,068.83	283.52	(5.99)	2,346.36

For the year ended on 31 March 2025

	Rs. In Lakhs			
Particulars	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	538.27	275.39	-	813.66
Employee 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

Notes forming part of the financial statements

38 Earnings per share (EPS)

	As at 31 March 2026	As at 31 March 2025
Profit/(Loss) attributable to equity shareholders of the Company (Rs. In Lakhs)	10,228.53	6,761.27
Weighted average number of Equity shares (Basic)	17,35,720	17,35,720
Add : Effect of dilutions		
Conversion of number of share warrants of Rs. 10 each	1,00,821	53,729
Weighted average number of Equity shares (Diluted)	18,36,541	17,89,449
Nominal value per equity share	10	10
Earnings Per Share		
Basic earning per share (in Rs.)	589.30	389.54
Diluted earnings per share (in Rs.)	556.95	377.84

39 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 cash and cash equivalents and other bank balances).

		Rs. In Lakhs
	As at 31 March 2026	As at 31 March 2025
Borrowings (Non-current and current)	300.57	4,919.54
Less : Cash and cash equivalents (including other bank balances)	5,256.56	4,736.78
Net debt A	(4,955.99)	182.76
Equity share capital	173.57	173.57
Other equity	39,675.49	28,944.10
Total capital B	39,849.06	29,117.67
Capital and net debt C = A +B	34,893.07	29,300.43
Gearing ratio (%) * A / C	NA	0.62%

*Capital Gearing Ratio has been disclosed as N.A. due to minimal borrowings and a cash surplus position maintained by the Company

40 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:

	Rs. In Lakhs	
	As at 31 March 2026	As at 31 March 2025
i) Details of right of use assets held by the Company is as follows:		
Opening Balance	-	41.88
Add: Additions during the year	-	-
Less: Deletion during the year	-	-
Less: Depreciation	-	41.88
Net carrying amount	-	-
ii) Details of lease liability of the Company is as follows:		
Opening Balance	-	36.55
Add: Additions during the year	-	-
Less: Deletion during the year	-	-
Add: Accretion of interest	-	1.45
Less: Payments of interest and principal	-	(38.00)
Net carrying amount	-	-
iii) Following are the amounts recognised in the statement of profit and loss:		
Depreciation of right-of-use assets	-	41.88
Interest expenses on lease liabilities	-	1.45
Expenses related to short term and low value leases	-	1,482.64
Total amount recognised in the statement of profit and loss	-	1,525.97

The Company had total cash outflows for leases of Rs. Nil Lakhs (31 March 2025 Rs.38 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 :

	Year ended 31 March 2026	Year ended 31 March 2025
Within 1 year	-	2.17
Between 1 to 5 years	-	-
Later than 5 years	-	-

The maturity analysis of lease liabilities is given in Note 43 C - Liquidity risk

41 Segment Reporting

The Company is engaged in the business of infrastructure development, which in the opinion of the Chief Operating Decision Maker (CODM) 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

42 Fair value measurement

i) Financial instrument by category

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

	As at		As at		Rs. In Lakhs
	31 March 2026		31 March 2025		
	Amortised Cost	FVTPL	Amortised Cost	FVTPL	
Financial Assets					
Investment *	-	3,016.59	-	-	
Trade receivables	20,758.00	-	13,373.66	-	
Cash and cash equivalents	5,255.28	-	4,780.89	-	
Bank balances other than above	7.74	-	682.34	-	
Loans	16.59	-	5.32	-	
Other financial assets	3,358.69	-	4,312.52	19.95	
Total Financial assets	29,396.30	3,016.59	23,154.73	19.95	
Financial liabilities					
Borrowings	300.57	-	4,919.54	-	
Trade payables	26,131.05	-	15,759.70	-	
Other financial liabilities	320.56	-	730.14	-	
Total Financial liabilities	26,752.18	-	21,409.38	-	

* Excluding Investment of Rs. 1.00 Lakhs (31 March 2025 Rs.1 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 measured at the amount that would be received on sell of 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

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

	As at 31 March 2026				Rs. In Lakhs
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial assets measured at FVTPL					
Other financial assets:					
Investment in Mutual Fund	3,016.59	3,016.59	3,016.59	-	-
Total	3,016.59	3,016.59	3,016.59	-	-

Notes forming part of the financial statements

	Carrying Value	Fair Value	As at 31 March 2025			Rs. In Lakhs
			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	-	

iv) Valuation techniques used to determine fair value:

- Investments included in Level 1 of fair value hierarchy are based on NAV declared by the fund
- Investments included in Level 2 of fair value hierarchy are based on forward exchange rates at the balance sheet date.

43 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 Managing Board. The Company is exposed to market risk - interest rate and foreign currency, credit risk and

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.

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

	Rs. In Lakhs	
	As at 31 March 2026	As at 31 March 2025
Variable rate borrowings	255.76	4,340.32
Fixed rate borrowings	44.00	579.22
Total borrowings	299.76	4,919.54

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	Rs. In Lakhs	
	As at 31 March 2026	As at 31 March 2025
Interest rates : (Increase) by 50 basis points	(0.16)	(24.85)
Interest rates : (Decrease) by 50 basis points	0.16	24.85

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 2026, Company's foreign currency exposure amounts to 192.27 Lakhs (31 March 2025 Rs. 3,167.58 Lakhs).

Notes forming part of the financial statements

i) Foreign currency risk exposure

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

	Foreign Currency Amount in Lakhs		Reporting Currency Amount Rs. In Lakhs	
	2026	2025	2026	2025
As at 31 March				
Trade Payables				
USD	1.90	20.13	180.53	1,723.03
GBP	0.14	0.40	18.07	44.03
Borrowings - Buyer's credit				
USD	-	0.87	-	74.23
SGD	-	20.85	-	1,328.15
Total	2.04	42.25	198.60	3,169.44

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 2026	5%	-	9.03	0.90
	-5%	-	(9.03)	(0.90)
31 March 2025	5%	66.41	86.15	2.20
	-5%	(66.41)	(86.15)	(2.20)

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	
	2026	2025	2026	2025
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:

	Foreign Currency (USD) Amount in Lakhs	
	2026	2025
Not later than six months	-	1,951.26
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 31st March 2026	Year ended 31 March 2025
Revenue from government promoted entities	87.37%	93.84%
Revenue from private corporates	12.63%	6.16%
	100.00%	100.00%

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

	As at 31 March 2026	Amount in Rs. Lakhs As at 31 March 2025
Opening balance	50.61	-
Loss allowance during the year	63.14	50.61
Closing balance	113.75	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 trade receivables (gross of expected credit loss) has been considered from the date the invoice falls due:

	As at 31 March 2026	Amount in Rs. Lakhs As at 31 March 2025
Particulars		
Not due	18,929.62	6,059.08
Upto 6 months	826.58	6,304.15
More than 6 months	1,085.94	1,061.04
Total	20,842.14	13,424.27

Notes forming part of the financial statements

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.

					Rs. In Lakhs
As at 31 March 2026	Carrying Amount	Total	Less than 1 year	1 to 5 years	Beyond 5 years
Long term borrowings	-	-	-	-	-
Short term borrowings	300.57	300.57	300.57	-	-
Trade payables	26,131.05	26,131.05	20,679.58	5,451.47	-
Other financial liabilities	320.56	320.56	320.56	-	-
As at 31 March 2025	Carrying Amount	Total	Less than 1 year	1 to 5 years	Beyond 5 years
Long term borrowings #	4,526.57	4,955.64	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	-	-

total includes future interest obligations

Notes forming part of the financial statements

44 Ageing schedule of Non current and Current Trade Receivables

	Outstanding for following periods from due date of payment						Rs. In Lakhs
	Not due	less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 yrs	more than 3 years	Total
As at							
31 March 2026							
Undisputed trade receivables -considered good	18,929.62	826.58	533.25	220.08	152.09	180.52	20,842.14
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	18,929.62	826.58	533.25	220.08	152.09	180.52	20,842.14
Less: Impairment allowance	-	(0.54)	(0.36)	(11.00)	(15.21)	(57.03)	(84.14)
Total trade receivables (Net)	18,929.62	826.04	532.89	209.08	136.88	123.48	20,758.00
As at							
31 March 2025							
Undisputed trade receivables -considered good	6,057.27	6,303.80	102.96	240.72	228.83	440.07	13,373.65
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	466.15	13,424.26
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	440.07	13,373.65

45 Ageing Schedule of Non-current and Current Trade Payables

	Outstanding for following periods from due date of payment					Rs. In Lakhs
	Unbilled	Not Due	Less than 1 year	1 - 2 years	2 - 3 yrs	More than 3 years
As at 31 March 2026						
Dues of MSME	-	6,138.75	1,074.87	0.83	1.61	0.41
Acceptances	-	1,260.61	-	-	-	-
Dues of Creditors other than MSME	-	11,205.79	4,465.98	1,523.10	365.83	93.27
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
Total	-	18,605.15	5,540.85	1,523.93	367.44	93.68
As at 31 March 2025						
Dues of MSME	-	2,307.02	46.26	-	-	-
Acceptances	-	472.96	-	-	-	-
Dues of Creditors other than MSME	-	3,022.54	8,523.09	630.64	230.65	526.55
Disputed Dues - MSME	-	-	-	-	-	-
Disputed Dues - Others	-	-	-	-	-	-
Total	-	5,802.51	8,569.35	630.64	230.65	526.55

46 Notes forming part of the financial statements

A. Contingent Liabilities

	Rs. In Lakhs	
	As at 31 March 2026	As at 31 March 2025
Claims against the Company not acknowledged as debts#		
Disputed income tax liability	1,045.41	1,287.60
Disputed value added tax liability	99.03	105.34
Disputed goods and service tax liability	527.53	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 Service tax department in respect of which provision is made in books of accounts towards the principal amount and interest (Refer Notes 20,36 and 56 of the Financial Statement). In respect of the Penalty amount of Rs.1070.24 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 the penalty and hence no provision has been made in the books of accounts.

B. Capital commitments

Estimated amount of contracts remaining to be executed on capital account related to property plant and equipment, not provided for (net of advances)	4,345.78	527.71
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C. Guarantees

Bank guarantees issued	567.19	561.30
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47 Disclosure under the Micro, Small and Medium Enterprises Development Act , 2006 (The Act) are given as follows:

	Rs. In Lakhs	
	As at 31 March 2026	As at 31 March 2025
a) The principal amount remaining unpaid to supplier as at the end of accounting year#	7,216.47	2,425.50
b) The interest due thereon remaining unpaid to supplier at the end of accounting year	28.03	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.	28.03	15.30
e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year	12.73	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	28.03	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 Nil (31 March 2025: Rs. 72.22 Lakhs) payable to capital creditors shown under Note 24 'Other current financial liabilities'.

Notes forming part of the financial statements

48 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 :-

	Rs. In Lakhs	
	Year ended 31 March 2026	Year ended 31 March 2025
i) Net expenses recognised during the year in the statement of profit and loss		
Current service cost	53.95	19.72
Interest cost (net)	14.54	15.86
Past service cost	94.77	-
Net expenses recognised in statement of profit and loss	163.26	35.58
ii) Net expenses recognised during the year in other comprehensive income (OCI)		
Actuarial (gains) / losses arising from changes in demographic assumptions		
Actuarial (gains) / losses arising from changes in financial assumptions	396.40	3.39
Actuarial (gains) / losses arising from changes in experience assumptions	(397.65)	(0.80)
Actuarial (gains) / losses for the year on plan assets	2.38	-
Net expenses recognised in other comprehensive income #	1.13	2.59
iii) Net liability recognised in the balance sheet		
Fair value of plan assets	34.82	34.80
Present value of obligation	396.43	248.04
Net liability recognized in balance sheet	361.61	213.24
iv) Reconciliation of opening and closing balances of defined benefit obligation		
Defined benefit obligation as at the beginning of the year	248.04	219.72
Service cost	53.95	19.72
Interest cost	14.54	15.86
Past service cost	94.77	-
Expenses recognised in OCI	1.13	2.60
Benefits directly paid by the Company	(16.00)	(9.86)
Defined benefit obligation at the end of the year	396.43	248.04
v) Reconciliation of opening and closing balance of fair value of plan assets		
Fair value of plan assets at the beginning of the year	34.80	-
Employer contribution during the year	-	34.80
Fund charges	0.02	-
Fair value of plan assets at year end	34.82	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	213.24	219.72
Current service cost	53.95	19.72
Interest cost (net)	14.54	15.86
Past service cost	94.77	-
Actuarial (gain) / loss on obligation	1.13	2.60
Fund charges	0.02	-
Benefits directly paid by the Company	(16.00)	(9.86)
Contribution paid to the fund during the year	-	(34.82)
Net defined benefit obligation at the end of the year	361.65	213.24

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Notes forming part of the financial statements

vii) The significant actuarial assumptions are as follows:

	As at 31 March 2026	As at 31 March 2025
Discount rate (per annum)	7.78%	7.52%
Rate of escalation in salary (per annum)	5.00%	5.00%
Attrition rate		
Up to 30 Years	3.00%	3.00%
From 31 to 44 years	2.00%	3.00%
Above 44 years	1.00%	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 2026	As at 31 March 2025
Impact of changes in key assumptions - (Increase) / decrease in defined benefit obligation			
Discount rate	1% increase	(19.15)	(8.11)
	1% decrease	22.49	9.45
Salary increase	1% increase	22.90	9.53
	1% decrease	(19.79)	(8.32)
Attrition Rate	1% increase	5.14	0.46
	1% decrease	(5.78)	(0.62)

ix) Maturity analysis of projected benefit obligation

	As at 31 March 2026	As at 31 March 2025
1st following year	214.20	159.47
2nd following year	248.52	7.38
3rd following year	16.61	3.07
4th following year	29.84	4.69
5th following year	27.61	12.99
6th following year	40.00	32.83

The weighted average duration of defined benefit obligation is 11.5 years (31 March 2025 - 5 years)

Notes

1. Amounts recognized as an expense and included in the Note 32 "Employee benefits expense" are gratuity Rs 148.71 Lakhs including past service cost of Rs.94.77 Lakhs (31 March 2025 Rs 19.72 Lakhs) and leave encashment Rs 42.30 Lakhs including past service cost of Rs. 13.27 Lakhs (31 March 2025 Rs 41.98 Lakhs). Net interest cost on defined benefit obligation recognised in Note 33 under "Finance costs" is Rs 19.34 Lakhs (31 March 2025 Rs 18.74 Lakhs), which includes net interest cost towards gratuity is Rs. 14.54 Lakhs (31 March 2025 Rs.15.86 Lakhs) and towards leave encashment is Rs. 4.83 Lakhs (31 March 2025 Rs.2.88 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 32 of the financial statements.

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

(i) 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.

(ii) Demographic risk: Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

(iii) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

(iv) 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.

5. On November 21, 2025, the Government of India notified four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020, and the Occupational Safety, Health and Working Conditions Code, 2020 - consolidating 29 existing labour laws. The Ministry of Labour & Employment has also published draft Central Rules and FAQs. The Company has recognised and disclosed the impact of these changes on the basis of the currently ascertainable position, consistent with the guidance provided by the Institute of Chartered Accountants of India. The impact resulting from these changes is Rs 108.03 lakhs (Including impact of compensated absence). The Company continues to monitor the finalisation of the Central/ State Rules and clarifications from the Government- on other aspects of the Labour Codes and would provide appropriate accounting effect on the basis of such developments as needed.

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Notes forming part of the financial statements

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

		Principal activities	Extent of holding		Principal place of business
			As at 31 March 2026	As at 31 March 2025	
a) Holding entity					
Welspun Enterprises Limited		Infrastructure	60.09%	60.09%	India
b) Wholly owned subsidiary					
Welspun Smartops Limited (w.e.f. 28 January 2025)		Engineering & Technology	100%	100%	India

c) Directors / Key Managerial Personnel (KMP)

Name of the related parties	Nature of Relationship
Mr. Saurin M Patel	Managing Director
Mr. Santosh Kumar Verma *	Whole-time Director & CEO
Mr. Santosh Kumar Verma *	Whole-time Director & COO
Mr. Hardik Dhebar**	CFO
Mr. Rajesh R. Mandawewala	Director
Mr. Sandeep Garg	Director
Mr. Devendra Krishna Patil #	Director
Mr. Aditya Vikram Harlalka	Director
Mr. Abhishek Chaudhary ##	Director
Mr. Aayushman Rajesh Nuwal	Nominee Director
Mrs. Mala Arun Todorwal	Independent Director
Mr. Aashish Gupta @	Independent Director

*appointed as Whole-time Director (Also designated as COO) with effect from 21 August 2023.
Elevated from COO to CEO with effect from 4 August 2025

**appointed as CFO w.e.f. 22 September 2025

#Ceased to be director w.e.f 28 January 2025

appointed as director w.e.f. 28 January 2025

@ appointed as independent director w.e.f. 23 July 202

d) Firm where Director's relative are partner

Patel Engineers

e) 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

f) Transactions with related parties for the year ended 31st March 2026

Nature of transactions	Rs. In Lakhs	
	Year ended 31 March 2026	Year ended 31 March 2025
Revenue from Engineering, procurement and		
Holding entity	9,747.48	2,518.73
Welspun Enterprises Limited	8,933.55	2,518.73
Other Related Party		
Welspun Foundation for Health & Knowledge	813.93	-
Purchase of Materials	848.50	897.05
Other Related Parties		
Anjar TMT Steel Private Limited	781.32	784.21
Welspun Corp Limited	67.18	112.84
Professional Fees	1,296.09	198.32
Holding entity		
Welspun Enterprises Limited	1,091.92	158.14
Other Related Party		
Welspun Transformation Services Limited	204.17	40.18
Rent expenses	60.03	61.13
Holding entity		
Welspun Enterprises Limited	58.83	46.73
Director		
Mr. Saurin M Patel	1.20	14.40
Capital expenditure	62.20	-
Holding entity		
Welspun Enterprises Limited	62.20	-
Other general expenses	91.53	49.23
Holding entity		
Welspun Enterprises Limited	57.71	18.73
Other Related Party		
Patel Engineers	33.83	30.50
Corporate Social Responsibility	126.00	100.00
Other Related Party		
Welspun Foundation for Health and Knowledge	126.00	100.00
Share based payment	484.91	545.85
Director		
Mr. Saurin M Patel	291.65	545.85
Mr. Santosh Kumar Verma	193.26	-
Directors sitting fees and other remuneration paid/ provided	27.00	13.60
Directors		
Mrs. Mala Tadarwal	9.00	2.70
Mr. Ashish Gupta	18.00	10.90
Business promotion expenses	1.76	1.18
Other Related Party		
Welspun Global Brands Limited	1.76	1.18
Investment	-	1.00
Wholly owned subsidiary		
Welspun Smartops Limited	-	1.00
Inter-corporate Loan/deposits	0.20	-
Wholly owned subsidiary		
Welspun Smartops Limited	0.20	-
Money received against share warrant	0.13	-
Director		
Mr. Santosh Kumar Verma	0.13	-
Remuneration paid/provided to KMP^	402.34	360.33

Above transactions are excluding Ind AS adjustments

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

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Notes forming part of the financial statements

Closing balances as at 31st March 2026

	Rs. In Lakhs	
	As at 31 March 2026	As at 31 March 2025
Trade Payables	377.04	488.09
Holding entity		
Welspun Enterprises Limited	215.59	176.86
Other Related Parties		
Anjar TMT Steel Private Limited	129.11	221.81
Welspun Corp Limited	14.67	67.98
Welspun Transformation Services Limited	17.67	21.44
Trade Receivables	402.41	-
Holding entity		
Welspun Enterprises Limited	393.87	-
Other Related Party		
Welspun Foundation for Health & Knowledge	8.54	-
Security deposits	5.00	5.84
Director		
Mr. Saurin M Patel	-	0.84
Other Related Party		
Patel Engineers	5.00	5.00
Contract liabilities	2,388.91	1,492.27
Holding entity		
Welspun Enterprises Limited	2,388.91	1,492.27
Contract Asset	113.92	-
Other Related Party		
Welspun Foundation for Health & Knowledge	113.92	-
Money received against share warrant	1.43	1.30
Director		
Mr. Saurin M Patel	1.30	1.30
Mr. Santosh Kumar Verma	0.13	-
Equity settled share based payment reserve	291.65	545.85
Director		
Mr. Saurin M Patel	291.65	545.85
Investment	1.00	1.00
Wholly owned subsidiary		
Welspun Smartops Limited	1.00	1.00
Inter-corporate Loan/deposits	0.20	-
Wholly owned subsidiary		
Welspun Smartops Limited	0.20	-
Remuneration payable to KMP	-	64.03

Note -

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

Notes forming part of the financial statements

50 A) Disclosure pertaining to Ind AS 115 "Revenue from Contracts with Customers"

The Company believes that the information provided under Note 28 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.

B) Contract balances

	As at 31 March 2026	Rs. In Lakhs As at 31 March 2025
Trade receivables (net of Expected Credit Loss of Rs. 84.14 lakhs (March 31, 2025 - 50.61 lakhs)	20,758.00	13,373.65
Contract assets (net of Expected Credit Loss of Rs.29.60 lakhs (March 31, 2025 - Nil)	20,967.03	11,107.36
Contract liabilities	3,309.50	3,846.76

C) Reconciliation of contract assets and liabilities:

	As at 31 March 2026	Rs. In Lakhs As at 31 March 2025
Contract Assets		
At the beginning of the year	11,107.36	6,563.84
Cost incurred plus attributable profits on contracts-in -progress	82,870.61	64,136.04
Progress billings made towards contracts -in - progress	72,981.34	59,592.52
At the end of the reporting year	20,996.63	11,107.36
Contract liabilities		
At the beginning of the year	3,846.76	2,208.26
Revenue recognised during the year	3,846.76	2,208.26
Progress billings made towards contracts-in -progress	3,309.50	3,846.76
At the end of the reporting year	3,309.50	3,846.76

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 advances from customer towards on-going Engineering, Procurement and Construction (EPC) projects. 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:

Year ended 31 March 2026	EPC	Operations and Maintenance	Consultancy Services	Rs. In Lakhs Total
Revenue from external customers	74,520.57	2,449.31	636.04	77,605.92
Revenue from related parties	9,747.48	-	-	9,747.48
Total	84,268.05	2,449.31	636.04	87,353.40
Timing of revenue recognition				
Over time	84,268.05	2,449.31	636.04	87,353.40
Total	84,268.05	2,449.31	636.04	87,353.40

Year ended 31 March 2025	EPC	Operations and Maintenance	Consultancy Services	Rs. In Lakhs Total
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

Notes forming part of the financial statements

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

	Rs. In Lakhs	
	Year ended 31 March 2026	Year ended 31 March 2025
Contracted price of orders on hand as at April 1 (including value of partially executed contracts and Operations and Maintenance)	4,21,332.81	2,26,534.51
Fresh Order received during the year from EPC contracts	17,836.00	1,92,773.79
Increase due to additional consideration recognised as per contractual terms/(decrease) due to scope reduction	6,988.43	2,024.51
Contracted price of orders on hand as at March 31 (including value of partially executed contracts and Operations and Maintenance)	4,46,157.24	4,21,332.81
Total revenue recognised during the year from EPC contracts	86,717.36	66,344.30
Revenue recognised upto previous year (from orders pending completion at the end of the year)	1,28,890.81	62,546.51
Balance revenue to be recognised in future viz. Order book	2,30,549.07	2,92,442.00
Closing contracted price of orders on hand as at March 31 (including value of partially executed contracts and Operations and Maintenance)	4,46,157.24	4,21,332.81

Outstanding performance and time for its expected conversion into revenue:

Outstanding execution /performance obligations	Total	Rs. In Lakhs		
		Time for expected conversion in revenue		
		Upto 1 Year	1-2 Years	Beyond 3 years
As at 31 March 2026	2,30,549.07	75,972.00	45,869.00	1,08,708.07
As at 31 March 2025	2,92,442.00	90,741.65	70,914.11	1,30,786.24

F) 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 revalidations 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 2,30,549.07 Lakhs out of which 33% (31 March 2025 : Rs 2,92,442.00 Lakhs out of which 34%) 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.

51 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:

	Rs. In Lakhs		
	Long term borrowings	Short term borrowings	Lease Liability
As at 1 April 2025	4,526.57	392.97	-
Cash inflow	-	-	-
Cash outflow	(4,147.55)	(392.97)	-
Non-cash items changes			
- Accrued interest	(78.46)	-	-
- Unrealised foreign exchanges gain/loss	-	-	-
As at 31 March 2026	300.57	-	-

	Long term borrowings	Short term borrowings	Lease Liability
As at 1 April 2024	3,437.28	-	36.55
Cash inflow	4,829.18	-	-
Cash outflow	(3,747.12)	392.97	(36.55)
Non-cash items changes			
- Accrued interest	68.77	-	-
- Unrealised foreign exchanges gain/loss	(61.53)	-	-
As at 31 March 2025	4,526.57	392.97	-

Notes forming part of the financial statements

52 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 2026	As at 31 March 2025
1	Michigan RPS Joint Venture	India	51%	51%
2	MEPL ANC Joint Venture	India	51%	51%
	Haji Ali		75%	0%
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	India	49%	49%
	PST 1 and PST 2	India	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 operations 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:

	Rs. In Lakhs	
	Year ended 31 March 2026	Year ended 31 March 2025
Income	26,332.29	27,827.89
Expenditure (including tax)	24,987.13	27,171.24
	As at 31 March 2026	As at 31 March 2025
Total assets	13,060.17	9,254.98
Total liabilities	10,608.74	7,138.59

53 CSR Disclosure

	Rs. In Lakhs	
	Year ended 31 March 2026	Year ended 31 March 2025
i. Amount required to be spent as per Section 135 of the Act		
Gross Amount required to be spent as per Section 135 of the Act	150.19	103.52
Add: Amount Unspent from previous years	-	-
Total Gross amount required to be spent during the year	150.19	103.52
ii. Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	153.90	100.00
iii. Details related to amount spent		
Contribution in relation to:		
Ongoing projects		
Contribution to related party #	122.00	100.00
Contribution to other party	28.38	-
Other than Ongoing projects		
iv. Amount unspent/(Excess spent) during the year ##	(0.19)	3.52
v. Nature of CSR activities		
Promoting education	40.00	100.00
Women empowerment and care for children	50.00	-
Health initiatives	20.31	-
Environmental sustainability	36.00	-
Administrative expense	4.07	-

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

54 Share based payments

i) Description of share-based payment arrangements

A. 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. 291.65 Lakhs (31 March 2025 - Rs. 545.85 Lakhs Lakhs) has been recognised under "Share based payment to employees" in the statement of profit and loss (Refer note 32).

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

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	Tranche 2
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 2026, a total amount of Rs. 1.30 Lakhs (31 March 2025 Rs. 1.30 Lakhs) received as initial contribution is presented as "Money received against share warrants" under "Other Equity" in the Balance Sheet.

B. In the addition to the above, during the year ended 31 March 2026, the Company granted 15,186 fully convertible share warrants to certain eligible employees under the Employee Incentive Scheme duly approved by the shareholders of the Company. Each warrant entitles the holder to subscribe to one equity share per warrant of the Company at an exercise price of Rs. 985.18 per warrant, subject to the terms and conditions of the scheme. The aggregate grant date fair value of the warrants granted during the year amounted to Rs. 289.89 lakhs, determined in accordance with the requirements of Ind AS 102, Share-based Payment. The fair value of the warrants is recognised as employee compensation expense with a corresponding credit to Share-based Payment Reserve. Proportionate amount of Rs. 193.26 Lakhs (31 March 2025 - Rs. Nil) has been recognised under "Share based payment to employees" in the statement of profit and loss (Refer note 32).

Measurement of fair values

The fair value of this share-based payment arrangement has been measured based on EBIDTA achieved or to be achieved till FY 26-27 multiplier by 3 of respective years.

As at 31 March 2026 and 31 March 2026, a total amount of Rs. 0.15 Lakhs (31 March 2025 Rs. Nil Lakhs) received as initial contribution is presented as "Money received against share warrants" under "Other Equity" in the Balance Sheet.

Notes forming part of the Financial Statements

Reconciliation of outstanding share warrants

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

	31 March 2026		31 March 2025	
	Number of share warrants	Weighted average exercise price	Number of share warrants	Weighted average exercise price
Outstanding as on 1 April	1,30,179	-	-	-
Granted during the year	15,186	985.18	1,30,179	985.18
Forfeited during the year	-	-	-	-
Exercised during the year	-	-	-	-
Expired during the period	-	-	-	-
Outstanding as on 31 March	1,45,365	985.18	1,30,179	985.18
Exercisable as on 31 March	1,40,303	985.18		
Weighted average remaining contractual life	1 years		2 years	

Expenses recorded in the statement of profit and loss

Total expenses arising from share-based payment transactions recognised in profit or loss as part of employee benefit expense were as follows:

	Rs. In Lakhs	
	Year ended 31 March 2026	Year ended 31 March 2025
Share based payments	484.91	545.85
Total share-based payment expense	484.91	545.85

Notes forming part of the financial statements

55 Analytical ratios

	Measure (in times/ in percentage)	As at 31 March 2026	As at 31 March 2025	% Variance	Reason (Required if variance more than 25%)
Current Ratio	In times	1.90	1.81	4.94	
Debt-Equity Ratio	In times	0.01	0.17	(95.54)	Repayment of Major debts
Debt Service Coverage Ratio (DSCR)	In times	3.11	8.44	(63.10)	Repayment of Major debts
Return on Equity (ROE)	In percentage	30%	26.55%	3%	
Inventory Turnover Ratio	In times	4.37	3.29	32.54	Improved inventory management during the current year.
Trade Receivables Turnover Ratio	In times	5.12	6.19	(17.27)	
Trade Payables Turnover Ratio	In times	2.99	3.86	(22.69)	
Net Capital Turnover Ratio	In times	3.78	4.37	(13.53)	
Net Profit Ratio	In percentage	11.71%	10.13%	1.58%	
Return on Capital Employed (ROCE)	In percentage	19.62%	17.06%	2.56%	
Return on Investment (ROI)	In percentage	2.86%	0.00%	2.86%	

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 (ROE)	Net Profit after tax / Average shareholders equity
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 = Networth + 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

56 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 trenching 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 thereafter. The matter remains sub judice and is being contested.

57 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:

Rs. In Lakhs					
Period ended	Name of the Bank	Particulars of securities provided	Amount as per books of accounts	Amount as reported in the statements	Amount of difference
30 June 2025	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	36,629.80	30,539.06	6,090.74
30 September 2025	Axis Bank Limited/ Yes Bank Limited		34,950.60	25,547.87	9,402.73
31 December 2025	Axis Bank Limited/ Yes Bank Limited		36,289.13	24,492.26	11,796.87
31 March 2026	Axis Bank Limited/ Yes Bank Limited		46,117.15	27,542.22	18,574.93

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 certain Joint Venture entities were not available at the time the stock statement was submitted.

58 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).

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

- The Company is engaged in the business of providing infrastructural facilities as specified under Schedule VI of the Companies Act 2013 ("the Act") and hence the provisions of Section 186 except for sub section (1) of the Act related to loans, investments, securities or guarantees provided are not applicable to the Company.
- There are no investments other than as disclosed in Note 3 forming part of the financial statements.

60 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.

61 Dividend

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

62 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.

Welspun Michigan Engineers Limited
CIN : U45300MH1973PLC016515

Notes forming part of the financial statements

- c) All the modification and satisfaction of charges during the financial year ended March 31, 2026, have been registered with the Registrar of Companies (ROC).
- d) The Company has not revalued any of its property, plant and equipment during the year.
- e) 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.
- f) The Company has not traded or invested in Crypto currency or virtual currency during the financial year.
- g) (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.
(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) 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, 1956 for the year ended / as at 31 March 2026 and 31 March 2025.

Name of the struck off companies	Nature of transactions	Rs. In Lakhs		Relationship with the Company
		Balance outstanding as on		
		As at 31 March 2026	As at 31 March 2025	
Jaskeerat Infrason Solutions Private Limited	Payables	26.87	26.87	None

- 63 The Company has used accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that no audit trail facility has been enabled at the database level for direct database changes. However stringent control procedures were implemented to effectively restrict direct changes to data throughout the financial year. These procedures included thorough reviews of logs and reconciliation of datasets and during the financial year no direct changes were made that impacted financial records. Further no instance of audit trail feature being tampered with, was noted in respect of accounting software. Additionally, the audit trail of previous year has been preserved by the Company as per the statutory requirements for record retention to the extent it was enabled and recorded in the previous year.
- 64 The figures for the previous year have been regrouped and reclassified 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.

As per our report of even date
For Suresh Surana and Associates LLP
Chartered Accountants
Firm's Registration. No.: 121750W / W-100010



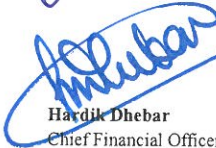
Bhavesh Shah
Partner
Membership Number: 100649

Place : Mumbai
Date : 08/05/2026

For and on behalf of the Board


Santosh Kumar Verma
Managing Director
DIN: 00909324


Santosh Kumar Verma
Whole-Time Director
DIN: 07994000


Hardik Dhebar
Chief Financial Officer

Place : Mumbai
Date : 08/05/2026