

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Vishvaraj Environment Limited
(formerly known as Vishvaraj Environment Private Limited)

Report on the Audit of the Special Purpose Consolidated Financial Statements

Opinion

We have audited the accompanying Special Purpose Consolidated Financial Statements of Vishvaraj Environment Limited (Formerly known as Vishvaraj Environment Private Limited) ("the Company" or "Holding Company"), which comprise the Special Purpose Consolidated Balance Sheet as at March 31, 2023, Special Purpose Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Special Purpose Consolidated Statement of Changes in Equity and Special Purpose Consolidated Statement of Cash Flows for the year then ended, and notes to the Special Purpose Consolidated Financial Statements, including a summary of material accounting policy information.

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying Special Purpose Consolidated Financial Statements of the Group for the year ended March 31, 2023 are prepared in all material respects, in accordance with the basis of preparation set out in Note 1 of the Special Purpose Consolidated Financial Statements.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Special Purpose Consolidated 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") ("Code of Ethics"), together with the ethical requirements that are relevant to our audit of the Special Purpose Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 1 to the accompanying Special Purpose Consolidated Financial Statements, which describe the purpose and basis of its accounting. These Special Purpose Consolidated Financial Statements have been prepared by the management of the Company, solely for the purpose of the preparation of the Restated Financial Information of the Company for the year ended March 31, 2023, to be included in the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus to be filed by the



Company with the [Securities and Exchange Board of India ('SEBI'), National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Mumbai Maharashtra], as applicable, in connection with the proposed Initial Public Offering of equity shares of the Company, to meet the requirements of Section 26 of Part I of Chapter III of the Companies Act, 2013, the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time ('SEBI ICDR Regulations'), and the Guidance Note on Reports in Company Prospectus (Revised 2019) issued by ICAI. As a result, these Special Purpose Consolidated Financial Statements may not be suitable for another purpose.

Emphasis of Matter paragraphs included in the earlier audit reports were based on circumstances prevailing at that point in time. In the context of the present special purpose audit, such matters are no longer relevant, as the underlying issues relating to areas such as inventory, property, plant and equipment, or Corporate Social Responsibility expenses have since been appropriately addressed and resolved. The Company has strengthened its processes and provided adequate disclosures, and management has confirmed the same through specific representations. Considering the audit procedures performed and the current facts and circumstances, we are satisfied that no separate emphasis is required in this report.

Our report is intended solely for the purpose specified above. This should not be distributed to or used by any other parties. J. P. Joshi & Associates shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Our Opinion is not modified in respect of this matter.

Responsibilities of Management and Those charged with Governance for the Special Purpose Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of the Special Purpose Consolidated Financial Statements in accordance with Note 1 on basis of accounting; this includes design, implementation and maintenance of such internal control relevant to the preparation of the Special Purpose Consolidated Financial Statements that are free from material misstatements, whether due to fraud or error.

In preparing the Special Purpose Consolidated Financial Statements, the management and respective Board of Directors of the Companies included in the Group are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Companies included in the Group or to cease operations or has no realistic alternative but to do so.

The management and respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

Auditor's Responsibilities for the Audit of the Special Purpose Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and



to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Consolidated Financial Statements.

We give in "Annexure" a detailed description of Auditor's responsibilities for Audit of the Special Purpose Consolidated Financial Statements.

Other Matter

1. We did not audit the financial statements of one subsidiary, namely Vedic Waste Water Management Private Limited, whose financial statements (before consolidation adjustments) reflect total assets of Rs. 1198.32 lakhs as at March 31, 2023, total income of Rs. 156.62 lakhs and net cash inflows amounting to Rs. 250.64 lakhs for the year ended on that date, as considered in the financial statements. This financial statement have been audited by other auditor whose reports have been furnished to us by the Management and our opinion on the financial statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

Our opinion on the Special Purpose Consolidated Financial Statements is not modified in respect of the above matter.

For J. P. Joshi & Associates

Chartered Accountants

ICAI Firm Registration No. 116953W

CA J P Joshi

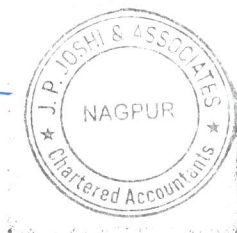
Partner

Membership No. 102218

UDIN: 25102218BBIQFU9718

Place: Nagpur

Date: 13th September, 2025



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT ON EVEN DATE ON THE SPECIAL PURPOSE CONSOLIDATED FINANCIAL STATEMENTS OF VISHVARAJ ENVIRONMENT LIMITED

Auditor's Responsibilities for the Audit of the Special Purpose Consolidated 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 Special Purpose Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing our opinion on whether the Group has internal financial controls with reference to Special Purpose Consolidated 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 of the Group.
- 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 Group'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 Special Purpose Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.



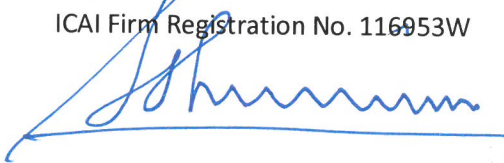
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, actions taken to eliminate threats or safeguards applied.

For J. P. Joshi & Associates

Chartered Accountants

ICAI Firm Registration No. 116953W



CA J P Joshi

Partner

Membership No. 102218

UDIN: 25102218BMIQFU9718

Place: Nagpur

Date: 13th September, 2025



Vishvaraj Environment Limited (Formerly known as Vishvaraj Environment Private Limited)
Special Purpose Consolidated Balance Sheet as at 31st March 2023
(Amount in INR lakhs unless otherwise stated)
CIN:U74999MH2008PTC186950

| Particulars | Notes | As at 31st March 2023 |
|--|--------|--------------------------|
| Assets | | |
| Non-current assets | | |
| Property, plant and equipment | 4(a) | 1,361.43 |
| Capital work in progress | 4(b) | 22,128.71 |
| Intangible assets | 4(c) | 47,333.96 |
| Financial assets | | |
| i. Investments | 5(a) | 119.77 |
| ii. Trade receivables | 8(a) | 487.93 |
| iii. Other financial assets | 5(b) | 1,090.90 |
| Deferred tax assets | 14 | - |
| Other non-current assets | 6 | 2,634.30 |
| Current assets | | |
| Inventories | 7 | 5,426.08 |
| Financial assets | | |
| i. Trade receivables | 8(a) | 27,343.54 |
| ii. Cash and cash equivalents | 8(b) | 2,602.36 |
| iii. Bank balances other than (ii) above | 8(c) | 20,043.75 |
| iv. Other financial assets | 5(c) | 520.17 |
| v. Loans & Advances | 6 | 9,850.16 |
| Other current assets | | |
| Total assets | | 1,40,943.08 |
| Equity and liabilities | | |
| Equity | | |
| Share capital | 9 | 7,100.00 |
| Other equity | 10 | 37,540.22 |
| Minority Interest | 10 (a) | 1,067.75 |
| Liabilities | | |
| Non-current liabilities | | |
| Financial liabilities | | |
| i. Borrowings | 11(a) | 40,637.48 |
| ii. Other financial liabilities | 11(b) | 8,820.05 |
| Provisions | 12 | 380.09 |
| Deferred tax liabilities | 14 | 1.99 |
| Current liabilities | | |
| Financial liabilities | | |
| i. Borrowings | 11(a) | 11,920.70 |
| ii. Trade payables | | |
| - Due to micro, small and medium enterprises | 15 (a) | 546.15 |
| - Due to others | 15 (a) | 5,683.14 |
| iii. Other financial liabilities | | |
| Provisions | 12 | 1,984.98 |
| Current tax liabilities (net) | 16 | 17,321.51 |
| Other current liabilities | 13 | 1.50 |
| Total equity and liabilities | | 1,40,943.08 |

Summary of Material accounting policies

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The accompanying notes are an integral part of the Special Purpose Consolidated financial statements.

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As per our report of even date

For J.P. Joshi & Associates
Chartered Accountants
ICAI FRN: 116953W

CA J.P. JOSHI
Partner
M. No. 102218
UDIN: 25102218BBIQF09718

For and on behalf of the Board of Directors of
Vishvaraj Environment Limited
(Formerly known as Vishvaraj Environment Private Limited)

Arun Lakhani
Managing Director
DIN: 00294583

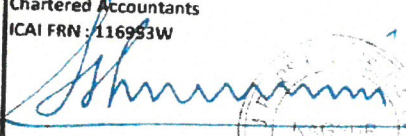

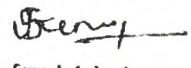
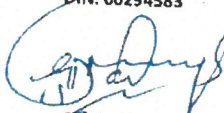

Suresh Agiwal
Director
DIN: 01660403

Girish Nadkarni
Chief Financial Officer

Amit Sonkusare
Company Secretary
M.No-F11853

Place : Nagpur
Date: 13th September 2025

Vishvaraj Environment Limited (Formerly known as Vishvaraj Environment Private Limited)
Special Purpose Statement of Consolidated Profit and Loss for the year ended 31st March 2023
(Amount in INR lakhs unless otherwise stated)
CIN:U74999MH2008PTC186950

| Particulars | Notes | For the year ended 31st March 2023 |
|---|--|--|
| Income | | |
| Revenue from operations | | 65,905.36 |
| Other income | 17 | 1,446.35 |
| Total income | 18 | 67,351.71 |
| Expenses | | |
| Cost of Operations | | 42,683.39 |
| Employee benefits expense | 19 | 3,991.77 |
| Finance cost | 20 | 4,480.19 |
| Depreciation and amortisation expense | 21 | 2,138.66 |
| Other administrative expenses | 22 | 4,275.47 |
| Total expenses | 23 | 57,569.48 |
| Profit before tax | | 9,782.24 |
| Tax expense: | | |
| Current Tax | | (1,235.71) |
| Adjustment of tax relating to earlier periods | 14 | (12.53) |
| Deferred tax credit | 14 | (28.15) |
| Total tax expenses | | (1,276.40) |
| Net Profit after Tax | | 8,505.83 |
| Add:- Amount transfer to capital work in progress | | 71.21 |
| Profit for the year | | 8,577.05 |
| Other comprehensive income | | |
| Items that will not be reclassified to profit or loss | | |
| Remeasurements of defined employee benefit | 25 | (8.04) |
| Total other comprehensive income | | (8.04) |
| Total comprehensive income for the year net of tax | | 8,569.01 |
| Profit for the year attributable to equityholders of the Company | | 8,569.01 |
| Earnings per equity share (nominal value per share of INR 10 each): | | |
| Basic and diluted earning per equity share (Rs) | 24 | 12.07 |
| Summary of Material accounting policies | 3 | |
| The accompanying notes are an integral part of the Special Purpose Consolidated financial statements. | 1-43 | |
| As per our report of even date | | |
| For J.P. Joshi & Associates Chartered Accountants ICAI FRN : 116993W | | For and on behalf of the Board of Directors of Vishvaraj Environment Limited (Formerly known as Vishvaraj Environment Private Limited) |
|  CA J.P. JOSHI Partner M. No. 102218 UDIN:251022188MIQFU9718 |  Arun Lakhani Managing Director DIN: 00294583 |  Suresh Agiwal Director DIN: 01660403 |
| Place : Nagpur Date: 13th September 2025 |  Girish Nadkarni Chief Financial Officer |  Amit Sonkusare Company Secretary M.No-F11853 |

Vishvaraj Environment Limited (Formerly known as Vishvaraj Environment Private Limited)
Special Purpose Statement of Consolidated Cash Flows for the year ended 31st March 2023
(Amount in INR lakhs unless otherwise stated)
CIN:U74999MH2008PTC186950

| Particulars | For the year ended 31st March 2023 |
|--|------------------------------------|
| Cash flow from operating activities: | |
| Net Profit after tax as per profit and loss A/c | |
| Add:- | 8,569.08 |
| Provision for Tax | |
| Depreciation | 1,276.40 |
| Interest on Loan & other finance cost | 2,138.66 |
| Less:- | 4,478.83 |
| Profit on sale of Investments in shares | |
| Other income | (833.79) |
| Operating Profit before Working Capital changes | (0.42) |
| Movement in Working capital: | 15,628.75 |
| Increase/(Decrease) in trade payables | |
| (Increase)/Decrease in Inventories | (1,449.71) |
| (Decrease)/Increase in Other financial liabilities | (3,869.62) |
| Increase/(Decrease) in other current liabilities | 2,125.22 |
| Increase/(Decrease) in current tax liabilities (net) | 7,238.18 |
| Increase/(Decrease) in Provisions | (298.55) |
| (Increase)/Decrease in trade receivables | 13,340.99 |
| (Increase)/Decrease in other financial assets | (20,378.91) |
| (Increase)/Decrease in other current assets | 418.27 |
| (Increase)/Decrease in other non current assets | (4,111.40) |
| Cash generated from / (used in) operations | (631.70) |
| Direct taxes Paid | 8,011.52 |
| Net cash generated from operating activities (A) | (1,247.54) |
| Cash flow from investing activities: | 5,763.99 |
| Purchase of property, plant and equipments | |
| Purchase of intangible assets under development | (1,008.15) |
| Receipt of government grants | (12,724.30) |
| Investment in Preference Shares | 1,672.25 |
| (Purchase)/sale of Investments | 700.00 |
| Profit on Sale of Investment in shares of subsidiary | (837.79) |
| Change in Loans & Advances | 833.79 |
| Net cash used in investing activities (B) | 714.21 |
| Cash flow from financing activities: | (10,650.01) |
| Proceeds/(Repayment) from borrowings | |
| Interest on Loan & other finance cost | 16,674.04 |
| Change in Equity Share Capital | (4,478.83) |
| Dividend Paid | 2,108.50 |
| Security Premium created from Right Issue | (395.47) |
| Net Cash flow from financing activities (C) | 1,217.09 |
| Net increase in cash & cash equivalents (A+B+C) | 15,125.34 |
| Cash and cash equivalents at the beginning of the period | 11,239.32 |
| Cash and cash equivalents at the end of the period | 11,406.80 |
| Cash and cash equivalents comprise of the followings: | 22,646.12 |
| i. Cash on hand | |
| ii. Balances with banks | 8.62 |
| a. Current accounts | |
| b. Balance with banks in fixed deposit | 2,843.63 |
| | 19,793.87 |
| | 22,646.12 |

Summary of Material accounting policies 3

The accompanying notes are an integral part of the Special Purpose Consolidated financial statements. 1-43

As per our report of even date

Notes:

The Cash Flow Statement has been prepared under the "Indirect Method" set out in Ind AS 7 "Statement of Cash Flows"

For J.P. Joshi & Associates
Chartered Accountants
ICAI FRN : 116955W

CA J.P. JOSHI
Partner
M. No. 102218
UDIN:25102218BBIQF9718

For and on behalf of the Board of Directors of
Vishvaraj Environment Limited
(Formerly known as Vishvaraj Environment Private Limited)

Arun Lakhani
Managing Director
DIN: 00294583

Suresh Agiwal
Director
DIN: 01650403

Girish Nadkarni
Chief Financial Officer

Anil Sonkusare
Company Secretary
M.No-F11853

Place : Nagpur
Date: 13th September 2025

Vishvaraj Environment Limited (Formerly known as Vishvaraj Environment Private Limited)
Special Purpose Statement of Changes in Equity for the year ended 31st March 2023
(Amount in INR lakhs unless otherwise stated)
CIN:U74999MH2008PTC186950

(a) Equity Share Capital

| Particular | Number of Equity Shares | Amount (In lakhs) |
|-----------------------------------|-------------------------|-------------------|
| Balance as at April 01, 2022 | | |
| Change in equity share capital ** | 7,10,00,000 | 6,612.48 |
| Balance as at March 31, 2023 | | 487.52 |
| | 7,10,00,000 | 7,100.00 |

*For break up refer schedule 9 (A)

** During the year company received the final call on right issues of shares no 170,46,100 @ Rs.2.86/-

(b) Other equity

| Particulars | Notes | General Reserve | Sub Total | Total |
|-----------------------------------|-------|-----------------|-----------|-----------|
| As at April 01, 2022 | | | | |
| Add/(Less): Increased/(decreased) | 10 | 6,918.10 | 6,918.10 | 6,918.10 |
| As at March 31, 2023 | | 7,688.04 | 7,688.04 | 7,688.04 |
| | | 14,606.14 | 14,606.14 | 14,606.14 |

| Particulars | Notes | Capital Reserve | Sub Total | Total |
|-----------------------------------|-------|-----------------|-----------|-----------|
| As at April 01, 2022 | | | | |
| Add/(Less): Increased/(decreased) | 10 | 18,694.50 | 18,694.50 | 18,694.50 |
| As at March 31, 2023 | | 4,239.58 | 4,239.58 | 4,239.58 |
| | | 22,934.08 | 22,934.08 | 22,934.08 |

Summary of Material accounting policies

3

The accompanying notes are an integral part of the Special Purpose Consolidated financial statements.

1-43

As per our report of even date

For J.P. Joshi & Associates
Chartered Accountants
ICAI FRN : 146953W

CA J.P. JOSHI
Partner
M. No. 102218
UDIN:25102218BBIQF09718

Place : Nagpur
Date: 13th September 2025

For and on behalf of the Board of Directors of
Vishvaraj Environment Limited
(Formerly known as Vishvaraj Environment Private Limited)

Arun Lakhani
Managing Director
DIN: 00294583

Girish Nadkarni
Chief Financial Officer

Suresh Agiwal
Director
DIN: 01660403

Amit Sonkusare
Company Secretary
M.No-F11853

1 Basis of preparation of Consolidated Financial Statements

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

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

Statement of compliance

These Special Purpose Consolidated Financial Statements of the Company comprises the Special Purpose Consolidated Balance Sheet as at March 31, 2023, the Special Purpose Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Special Purpose Consolidated Statement of Changes in Equity, the Special Purpose Consolidated Statement of Cash Flows for the year ended March 31, 2023 and Notes forming part of these Special Purpose Consolidated Financial Statements for the year ended March 31, 2023 and summary of material accounting policies (collectively referred as the 'Special Purpose Consolidated Financial Statements') that have been prepared by the Management of the Group for the purpose of preparation of restated financial information to be included in the Draft Red Herring Prospectus (the "DRHP"), Red Herring Prospectus ("RHP") and Prospectus to be filed with the Securities and Exchange Board of India ("SEBI"), BSE Limited (the "BSE") and National Stock Exchange of India Limited (the "NSE") (BSE and NSE together, the "Stock Exchanges") and Registrar of Companies Mumbai, Maharashtra, as applicable, in connection with its proposed Initial Public Offer of equity shares ("IPO") by the Holding Company.

These Special Purpose Consolidated Financial Statements have been prepared by the management of the Company to comply with the requirements of:

- (a) Section 26 of Part I of Chapter III of the Companies Act, 2013 (the "Act");
- (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended (the "ICDR Regulations"); and
- (c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI), as amended (the "Guidance Note").

These Special Purpose consolidated Financial Statements have been prepared based on the following:

The audited consolidated statutory financial statements of the Company as at and for the year ended March 31, 2023, prepared in accordance with Indian Accounting Standards prescribed under Section 133 of the Act read with Companies (Indian Accounting Standards) Rules 2015, as amended, and other recognized accounting practices and policies generally accepted in India.

Also, these Special Purpose consolidated Financial Statements are not the statutory financial statements of the Company under the Act. These Special Purpose consolidated Financial Statements have been prepared solely for the purpose of preparation of Restated Financial Information for inclusion in the DRHP, RHP and Prospectus in relation to the proposed IPO. Hence these Special Purpose consolidated Financial Statements are not suitable for any other purpose other than for the purpose of preparation of Restated Financial Information.

The Special Purpose consolidated Financial Statements were approved for issue by the Holding Company's Board of Directors on September 13, 2025.

Basis of Consolidation

The Special Purpose Consolidated Financial Statements have been prepared by consolidating like items of assets, liabilities, equity, income, expenses and cash flows of the entities forming part of Group. All the intragroup assets and liabilities, equity, income, expenses and cash flows relating to entities forming part of Group have been eliminated and profits or losses arising from intragroup transactions have been eliminated in full.

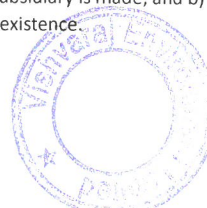
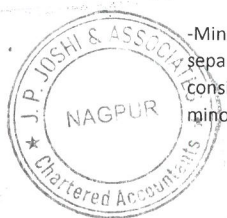
The Special Purpose Consolidated financial information are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31.

- 2 The Special Purpose Consolidated Financial Statements consist of **VISHVARAJ ENVIRONMENT LIMITED (Formerly Known as VISHVARAJ ENVIRONMENT PRIVATE LIMITED)** (hereinafter referred to as "the Holding Company") and its subsidiaries (collectively referred to as "the Company" or "the Group"). The Special Purpose Consolidated Financial Statements have been prepared on the following basis:-

-The financial statements of the Company and its subsidiary and associate companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealized profits or losses as per IND AS 110- "Consolidated Financial Statements"

-The difference between the cost of investment in the subsidiaries and the Group's share of net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

-Minority Interest in the net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from liabilities and equity of the Company's shareholders. Minority interest in the net assets of consolidated subsidiaries consists of: a) The amount of equity attributable to minority at the date on which investment in a subsidiary is made; and b) The minority share of movements in equity since the date the parent subsidiary relationship came into existence.



Vishvaraj Environment Limited (Formerly known as Vishvaraj Environment Private Limited)
Notes forming part of the Special Purpose Consolidated financial statements for the year ended 31st March 2023
(Amount in INR lakhs unless otherwise stated)
CIN:U74999MH2008PTC186950

-The list of subsidiary and associates companies which are included/excluded in the consolidation and the Group's holdings therein are as under

| Name of the Company | Included in consolidation | Ownership in % either directly or through Subsidiaries | |
|---|---------------------------|--|---------|
| | | 2022-23 | 2021-22 |
| 1-Nagpur Waste Water Management Private Limited (NWWPL) | Yes | 95.00% | 90.00% |
| 2-Corbello Trading Private Limited (Refer Note below*) | No | Nil | 51.00% |
| 3-VEPL MSPL Smart Water Private Limited | Yes | 74.00% | 74.00% |
| 4-Vedic Waster Water Management Pvt Ltd | Yes | 51.00% | 51.00% |
| 5-Chandrapur Waste Water Management Pvt Ltd (CWWPL) | Yes | 95.10% | 95.10% |
| 6-Maheshkala Waste Water Management Pvt Ltd (MWWPL) | Yes | 99.99% | 99.99% |
| 7-Agra Waste Water Management Pvt Ltd (AWWPL) | Yes | 74.00% | 0.00% |
| 8-Vishvaraj Waste Water Management Pvt Ltd (VWWPL) | Yes | 50.00% | 0.00% |

Note: * During the year company sold the entire stake of 51% equity shares to Welspun India Ltd.

3 Material accounting policies

i) Current versus non-current classification

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

- It is expected to be realised, or is intended to be sold or consumed, in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is expected to realise the asset within 12 months after the reporting period; or
- The asset is a cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

Similarly, a liability is classified as current if:

- It is expected to be settled in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within 12 months after the reporting period; or
- The Company does not have an unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. Terms of a liability that could result in its settlement by the issue of equity instruments at the option of the counterparty does not affect this classification.

All other liabilities are classified as non-current.

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

The principal accounting policies are set out below.



ii) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue comprises:

Revenue is measured based on fair value of consideration received or receivable and excludes amounts collected on behalf of third parties. A performance obligation is a promise in a contract to transfer a distinct good or service (or a bundle of goods and services) to the customer and is the unit of account in Ind AS 115. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue, as, or when, the performance obligation is satisfied. The Company recognizes revenue when it transfers control of a product or service to the customer.

Interest income

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

(iii) Accounting for Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment and Intangible assets are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

As per the contract terms the total grant of Rs. 78.93 Crore is available from Chandrapur Municipal Corporation under AMRUT mission. The grant is receivable as payment mile stone in proportion of the work completed in four stages of 25% each as certified by IE.

Grants are recognized on the receipt basis based on the agreed mile stone achieved. Grants so received by way of contribution towards total capital outlay for which no repayment is ordinarily expected in respect thereof, are treated as capital reserve.

iv) Operating lease

Lease of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term. The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand & balance with bank in current accounts are to a known amount of cash and are subject to an insignificant risk of changes in value.

(vi) Earnings per share

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

(vii) 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.

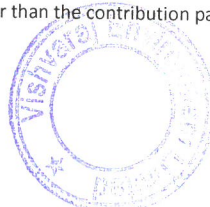
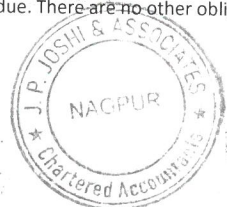
b) Defined benefit plans

Post-employment and other long-term employee benefits are recognized as an expense in the statement of profit and loss for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques.

Re-measurement of the net defined benefit liability, which comprises of actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest) are recognised in other comprehensive income in the period in which they occur.

c) Defined contribution plans

Payments to defined contribution retirement benefit schemes are charged to the statement of profit and loss of the year when the contribution to the respective funds are due. There are no other obligations other than the contribution payable to the fund.



(viii) Taxation

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 tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognised to the extent it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The carrying amount of Deferred tax liabilities and assets are reviewed at the end of each reporting period.

(ix) Property, plant and equipment.

Property, Plant & Equipment are stated at their original cost of acquisition net of recoverable taxes, trade discounts & rebates but includes freight and other incidental expenses related to acquisition and installation of the concerned assets less depreciation till date.

Company has adopted cost model for all class of items of Property Plant and Equipment.

Depreciation on property, plant and equipment is provided on straight line method based on the useful lives, specified in Schedule II of the Companies Act, 2013.

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.

Other Indirect Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are disclosed under Capital Work-in-Progress. (refer note no.4b)

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.

(x) Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

-STP Plant:

BOT Assets i.e. Capital expenditure on STP Plant at Bhandewadi (Augmentation existing 100 MLD STP at Bhandewadi to 200 MLD - PPP project) is stated at original capitalized cost less accumulated amortization. Amortization of Capital Expenditure is done on straight line value basis dividing total capital cost into period for which Company is authorized to operate & maintain the project facilities in accordance with provision as specified by Concessioning Authority (Nagpur Municipal Corporation). The operation and maintenance started from 01.07.2018 and shall continue till 30.06.2049.

-TTP Plant:

BOT Assets i.e. Capital expenditure on TTP Plant at Bhandewadi 190 MLD is stated at original capitalized cost less accumulated amortization. Amortization of Capital Expenditure is done on straight line value basis dividing total capital cost into period for which Company is authorized to operate & maintain the project facilities in accordance with provision as specified by Concessioning Authority (Nagpur Municipal Corporation). The operation and maintenance started from 05.06.2020 and shall continue till 04.06.2045

(xi) 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.



(xii) Foreign Currency transactions

The standalone financial statements have been prepared in Indian Rupees which is the functional currency of the Company. Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction. Foreign currency denominated monetary assets and liabilities are retranslated at the exchange rate prevailing on the balance sheet dates and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not retranslated. The difference between exchange rates (closing rate and transaction rate) resulting into loss of Rs. 59.52 Lakhs recognised in the statement of profit and loss.

(xiii) 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.

(xiv) Financial instruments

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

A. Financial assets

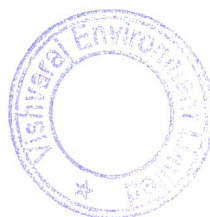
a) Initial recognition and measurement

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

b) Subsequent measurement

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

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



Debt instruments

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

i) Debt instruments measured at amortised cost

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

ii) Debt instruments measured at FVTOCI

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

iii) Debt instruments measured at FVTPL

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

iv) Equity instruments (other than investment in associates, joint venture companies and subsidiaries)

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

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

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

B. Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- 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

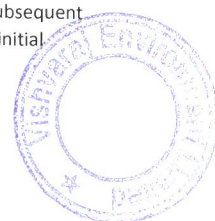
The Company assesses impairment based on expected credit losses (ECL) model to the following:

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

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

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

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



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

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

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. Financial liabilities at 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.

(xv) 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.



Vishvaraj Environment Limited (Formerly known as Vishvaraj Environment Private Limited)

Notes to Special Purpose Consolidated Financial Statements for the year ended 31st March 2023

(Amount in INR lakhs unless otherwise stated)

CIN:U74999MH2008PTC186950

4(a) Property, plant and equipment

| Particulars | Land | Building | Plant machinery and equipment | Furniture and fixtures | Vehicles | Computer System | Electrical Installations | Total |
|---------------------------------|---------------|---------------|-------------------------------|------------------------|--------------|-----------------|--------------------------|-----------------|
| Gross carrying amount | | | | | | | | |
| As at April 01, 2022 | - | 38.82 | 278.10 | 11.46 | 62.70 | 96.66 | 11.50 | 499.25 |
| Additions | 383.58 | 75.15 | 147.18 | 288.24 | 21.38 | 120.92 | 13.37 | 1,049.82 |
| Disposals/Adjustments | - | 0.00 | 41.33 | -0.28 | 0.04 | 5.42 | 0.64 | 47.15 |
| As at March 31, 2023 | 383.58 | 113.97 | 383.95 | 299.99 | 84.04 | 212.16 | 24.23 | 1,501.93 |
| Accumulated depreciation | | | | | | | | |
| As at April 01, 2022 | - | 1.30 | 14.74 | 1.52 | 12.81 | 29.19 | 1.44 | 61.00 |
| Charge for the period | - | 2.88 | 20.06 | 6.10 | 7.82 | 46.71 | 1.40 | 84.98 |
| Disposals/Adjustments | - | - | -0.65 | 0.05 | 0.02 | 5.82 | 0.24 | 5.48 |
| As at March 31, 2023 | - | 4.18 | 35.45 | 7.57 | 20.61 | 70.09 | 2.60 | 140.50 |
| Net carrying amount | | | | | | | | |
| As at March 31, 2022 | - | 37.53 | 263.36 | 9.94 | 49.89 | 67.47 | 10.06 | 438.25 |
| As at March 31, 2023 | 383.58 | 109.80 | 348.50 | 292.41 | 63.43 | 142.07 | 21.63 | 1,361.43 |



4(b) Capital work-in-progress

| Particulars | Less than 1 year | 1-2 years | 2-3 years | More than 3 | Total |
|---------------------------------|------------------|-----------------|-----------|-------------|------------------|
| As at 31 March 2023 | | | | | |
| Capital work-in-progress | 12,394.22 | 9,663.16 | - | - | 22,057.38 |
| Transfer from Profit & Loss A/c | 71.21 | 0.12 | - | - | 71.33 |
| Total | 12,465.43 | 9,663.28 | - | - | 22,128.71 |

4(c) Intangible assets

| Particulars | Software | STP Plant | TTP Plant | Total |
|---------------------------------|---------------|------------------|------------------|------------------|
| Gross carrying amount | | | | |
| As at April 01, 2022 | 105.44 | 21,865.23 | 29,179.15 | 51,149.81 |
| Additions | 258.87 | - | - | 258.87 |
| Disposals/Adjustments | 0.53 | - | - | 0.53 |
| As at March 31, 2023 | 363.77 | 21,865.23 | 29,179.15 | 51,408.15 |
| Accumulated depreciation | | | | |
| As at April 01, 2022 | 11.79 | 802.39 | 1,206.86 | 2,021.04 |
| Charge for the period | 44.42 | 802.41 | 1,206.84 | 2,053.68 |
| Disposals/Adjustments | 0.54 | - | - | 0.54 |
| As at March 31, 2023 | 55.68 | 1,604.80 | 2,413.70 | 4,074.19 |
| Net carrying amount | | | | |
| As at March 31, 2022 | 93.65 | 21,062.84 | 27,972.28 | 49,128.77 |
| As at March 31, 2023 | 308.10 | 20,260.42 | 26,765.44 | 47,333.96 |

Notes:

1 STP & TTP Amortization

Till financial year 2021-22 the amortization was calculated considering the project life of 30 and 25 years for STP & TTP respectively. However from the year under audit the same has been revised as 10950 & 9125 days and amortization has been calculated based no. of days due to these change amortization of Rs.2094 is higher in STP & Rs.1585 is less in TTP as compare to previous year.



Vishvaraj Environment Limited (Formerly known as Vishvaraj Environment Private Limited)
Notes to Special Purpose Consolidated Financial Statements for the year ended 31st March 2023
(Amount in INR lakhs unless otherwise stated)
CIN:U74999MH2008PTC186950

5(a) Investments

| Particulars | Non-current | Current |
|--|-----------------|-----------------|
| | As at | As at |
| | 31st March 2023 | 31st March 2023 |
| Investment in Preference instruments | - | - |
| Investment in Equity instruments | 92.26 | - |
| Investment in shares of Co-operative Banks | 27.51 | - |
| | 119.77 | - |

5(b) Other financial assets

| Particulars | Non-current | Current |
|-----------------------------------|-----------------|-----------------|
| | As at | As at |
| | 31st March 2023 | 31st March 2023 |
| Unsecured, considered good | | |
| Security deposits | 1,090.90 | - |
| Grant Receivable | - | - |
| | 1,090.90 | - |

5(c) Loans & Advances

| Particulars | Non-current | Current |
|-----------------------------------|-----------------|-----------------|
| | As at | As at |
| | 31st March 2023 | 31st March 2023 |
| Loans & Advances to related party | - | 160.17 |
| Other Loans & Advances | - | 360.00 |
| | - | 520.17 |

6 Other assets

| Particulars | Non-current | Current |
|--|-----------------|-----------------|
| | As at | As at |
| | 31st March 2023 | 31st March 2023 |
| Unsecured, considered good | | |
| Trade Receivable-Retention | 2,467.62 | - |
| Advance to Creditors | 131.21 | 278.61 |
| Prepaid Expense | - | 581.37 |
| Prepaid Insurance | - | 213.48 |
| Advance given to employees | - | 38.04 |
| Other Advances | 6.93 | - |
| Balances with statutory/government authorities | 12.65 | 8,738.65 |
| WCT Receivable | 15.89 | - |
| | 2,634.30 | 9,850.16 |

7 Inventories

| Particulars | Current |
|------------------|-----------------|
| | As at |
| | 31st March 2023 |
| Stock at Site | 5,015.92 |
| Goods in Transit | 362.22 |
| Work in Progress | 47.95 |
| | 5,426.08 |



8 Financial assets

8(a) Trade receivables

| Particulars | Non-current | Current |
|--|-----------------|------------------|
| | As at | As at |
| | 31st March 2023 | 31st March 2023 |
| Trade Receivables - related parties | - | 2,794.87 |
| Trade Receivables other | 487.93 | 24,548.67 |
| Less: Allowance for doubtful debts | - | - |
| | 487.93 | 27,343.54 |
| Break-up of security details | | |
| Particulars | Non-current | Current |
| | As at | As at |
| | 31st March 2023 | 31st March 2023 |
| Trade receivables (Unsecured - considered good) | 487.93 | 27,343.54 |
| Trade receivables which have significant increase in credit risk | - | - |
| Trade receivables - credit impaired | - | - |
| Total | 487.93 | 27,343.54 |
| Impairment allowance (allowance for bad and doubtful debts) | - | - |
| Trade receivables which have significant increase in credit risk | - | - |
| Trade receivables - credit impaired | - | - |
| Total trade receivables | 487.93 | 27,343.54 |

In accordance with Ind AS 109, the Company uses 'Expected Credit Loss' (ECL) model, for evaluating impairment of Financial Assets other than those measured at Fair Value Through Profit and Loss (FVTPL).

Expected Credit Losses are measured through a loss allowance at an amount equal to:

- The 12-months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or
- Full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For Trade Receivables the Company applies 'simplified approach' which requires expected lifetime losses to be recognised from initial recognition of the receivables. The Company uses historical default rates to determine impairment loss on the portfolio of trade receivables. At every reporting date these historical default rates are reviewed and changes in the forward-looking estimates are analysed. The Management of the Company is confident of recovery in near future

For other assets, the Company uses 12 month ECL to provide for impairment loss where there is no significant increase in credit risk. If there is significant increase in credit risk full lifetime ECL is used.

Trade Receivables Ageing as on 31.03.2023

| Particulars | Less than 6 Months | 6 months-1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
|---|--------------------|-----------------|---------------|--------------|-------------------|------------------|
| (i) Undisputed Trade Receivables considered good | 26,637.75 | 705.79 | 312.41 | 51.48 | 124.04 | 27,831.47 |
| (ii) Undisputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| (iii) Disputed Trade Receivables considered good | - | - | - | - | - | - |
| (iv) Disputed Trade Receivables considered doubtful | - | - | - | - | - | - |
| Total | 26,637.75 | 705.79 | 312.41 | 51.48 | 124.04 | 27,831.47 |



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8(b) Cash and cash equivalents

| Particulars | Current |
|--|-----------------------------|
| | As at 31st March 2023 |
| Cash in hand | 8.62 |
| Balances with banks: | |
| Balances with banks in Current Account | 2,593.75 |
| | <u>2,602.36</u> |

8(c) Other bank balances

| Particulars | Current |
|---------------------------------------|-----------------------------|
| | As at 31st March 2023 |
| Balances with banks in Fixed Deposits | 20,043.75 |
| | <u>20,043.75</u> |

Break up of financial assets carried at amortised cost

| | Non-current | Current |
|---|-----------------------------|-----------------------------|
| | As at 31st March 2023 | As at 31st March 2023 |
| Trade receivable {refer note 8(a)} | 487.93 | 27,343.54 |
| Cash and cash equivalents {refer note 8(b)} | - | 2,602.36 |
| Other bank balances {refer note 8(c)} | - | 20,043.75 |
| Other financial assets {refer note 5(b)} | 1,090.90 | - |
| Total financial assets carried at amortised cost | 1,578.84 | 50,509.83 |



9 Share capital

| Particulars | As at 31st March 2023 |
|--|-----------------------------|
| Authorised shares | |
| Equity Shares Face Value of Rs. 10 each | 10,005.00 |
| | 10,005.00 |
| Issued shares, subscribed and paid-up shares | |
| Equity Shares Face Value of Rs. 10 each | 7,100.00 |
| Equity Shares Face Value of Rs. 10 each (No. 1,70,46,100 @ Rs.7.14/-paid up & Rs.2.86/-unpaid) | - |
| | 7,100.00 |

A. Reconciliation of number of shares

| Equity shares | No |
|---------------------------------|--------------------|
| At the beginning of the period | 7,10,00,000 |
| Change during the year | |
| 1- Bonus shares issued | - |
| 2- Right shares issued | - |
| At the end of the period | 7,10,00,000 |

B. Terms/Rights attached to equity shares

The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share. Each shareholder is entitled to dividend, if declared by the Company in proportion to their respective holding in the company.
In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company. The distribution will be in proportion to the number of equity shares held by the shareholders.

C. Shares held by holding and its subsidiary

Out of equity shares issued by the Company, shares held by its holding company in its subsidiary are as below:

| Particulars | As at 31st March 2023 |
|---|-----------------------------|
| Premier Financial Services Ltd | |
| Equity shares of INR 10/- each fully paid | 7,09,71,020 |

D. Details of shareholders holdings more than 5% shares

| Particulars | As at 31st March 2023 | |
|--|--------------------------|--------------------------|
| | Number of shares held | Percentage of Holding |
| Equity shares of INR 10 each fully paid | | |
| Premier Financial Services Pvt Ltd | 7,09,71,020 | 99.96% |

E. Change In shareholding pattern

| Particular | Shares at 31 Mar 2023 | | |
|------------------------------------|-----------------------|--------------------|----------------|
| | Promoter Name | Type of Shares | Nos. % Holding |
| Premier Financial Services Pvt Ltd | Equity (NV: 10.00) | 7,09,71,020 | 99.96 |
| | | 7,09,71,020 | 99.96 |



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10 Other equity

| Particulars | As at 31st March 2023 |
|--|-----------------------------|
| A. General Reserve | |
| Opening balances at the commencement of the year | 6,918.10 |
| Add/(Less): Increased/(decreased) | 7,688.04 |
| Closing balances at the end of the year | 14,606.14 |
| B) Capital Reserve | |
| Opening balances at the commencement of the year | 18,694.50 |
| Add/(Less): Increased/(decreased) | 4,239.58 |
| Closing balances at the end of the year | 22,934.08 |
| Total Other Equity (A+B) | 37,540.22 |

10(a) Minority Interest

| Particulars | As at 31st March 2023 |
|--|-----------------------------|
| Opening balances at the commencement of the year | 1,154.75 |
| Add/(Less): Increased/(decreased) | (87.00) |
| Closing balances at the end of the year | 1,067.75 |



11 Financial liabilities

11(a) Borrowings

| Particulars | Non-current | Current |
|---------------------------|--------------------------|-----------------------------|
| | As at 31st March 2023 | As at 31st March 2023 |
| Secured: | | |
| Vehicle & Equipment Loans | 44.42 | 61.19 |
| Term Loan from Banks | 40,593.06 | 3,732.53 |
| Unsecured: | | |
| From related party | - | 8,126.98 |
| | 40,637.48 | 11,920.70 |

Foot Note :

1-Vehicle Loans- The Company has taken Vehicle loans from HDFC Bank of Rs 23.195 Lakhs for the purchase of Innova Crysta & Rs 14.845 Lakhs for the purchase of Mahindra Marazzo in June 2019 which are repayable 60 equated monthly installments.

2-Vehicle Loans- The Company has taken Vehicle loan from HDFC Bank of Rs 9.92 Lakhs for the purchase of Toyota Urban Cruiser in Feb 2022 which are repayable 60 equated monthly installments.

3-Equipment Loans- The Company has taken the loans from Axis Bank of Rs 151.59 Lakhs for purchase of Construction Equipments in October 2021 which are repayable 37 equated monthly installments.

4-Nature of Security & Terms of Repayment for Long Term Secured Borrowings :

| Particulars of Lenders | Sanction Amount | Installment |
|---|-----------------|---|
| Power Finance Corporation Ltd(PFC) Phase-I | 16,157 Lakhs | 153 Monthly Installment -Fixed Installment (Repayment commenced from Oct.2019 & shall end on September 2032) |
| Power Finance Corporation Ltd(PFC) Phase-II | 23,952 Lakhs | 58 Quaterly Installment -Fixed Installment (Repayment commenced from Q4 of 2021 (Jan.2021) & shall end on Q1 of 2036) |
| Power Finance Corporation Ltd(PFC) Topup | 8,500 Lakhs | Repayment shall be made in 120 equal monthly principal installments after the first date of disbursement of loan |

Secured Loan is Secured by way of

A. Primary Security:-

1. By way of mortgage on the immovable properties, both present and future, save and except project assets for Phase-I (i.e. 200 MLD STP Project of NWW MPL) and Phase-II (i.e. 190 MLD TTP Project of NWW MPL) of the Company

2. A first charge by way of hypothecation, over all the movable properties and assets, including plant and machinery, machinery spares, equipment, tools and accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future, intangible, goodwill, uncalled capital, present and future, save except project assets for Phase-I and Phase-II of the Company

B. A first charge on;

1. The Company's operating cash flows, book debts, receivables, commissions, revenues of what soever nature and wherever arising of the Borrower, present and future.

2. The Debt Service Reserve Account, TRA, any letter of credit and other reserves and any other bank accounts of the Company wherever maintained, present & future.; and

3. The Escrow Account as defined in the Tripartite Agreement entered into on 29.12.2017 between Mahagenco, The Nagpur Municipal Corporation and NWW MPL.

4. The Escrow Account and Escrow Agreement as defined in the Concession Agreement entered into between The Nagpur Municipal Corporation and NWW MPL.

C. Right to Substitution of the borrower/step in by PFC/the Lenders as provided in the Concession Agreement

D.Collateral Securities

Pledge of 74% Shares of total issued and subscribed equity shares of the Company & DSRA of 6 Months

Interim securities: Pledge over 26% issued and subscribed equity shares of the Company

E.Top up Loan

Funding of Top-up Loan Amount of Rs. 8500 Lakhs is for equity infusion of (a) Maheshkala Waste Water Management Pvt Ltd (b) Agra Waste Water Management Pvt Ltd (c) any other sewage tretment plant of group companies.

Loan shall be repaid in 120 equal EMI

5-Nature of Security & Terms of Repayment for Long Term Secured Borrowing :

| Particulars of Lenders | Sanction Amount | Installment |
|------------------------------------|-----------------|--|
| Power Finance Corporation Ltd(PFC) | 5044 Lakhs | Repayment shall be made in 150 equal monthly principal installments with a period of 6 month post DCCO or Actual COD whichever is earlier. |



A. Primary Security:-

a. A first charge by way of hypothecation, in a form and manner acceptable to the Lender, over all the Borrower's immovable properties and assets, both present and future; and assets, including plant & machinery, machinery spares, equipment, tools & accessories, furniture, fixtures, vehicles, and all other movable assets, both present and future save and except project assets;

b. A first charge by way of Borrower's uncalled capital, operating cash flows, book debt, receivables, commission, revenues of whatsoever nature and wherever arising of the Borrower, both present and future;

c. A first charge on the Trust & Retention Account (TRA) [including Debt Service Reserve Account of 2 Quarter(s) principal & interest payment (DSRA), any letter of credit and other reserves and any other bank accounts of the Borrower wherever maintained, both present & future

B. Collateral Securities

Pledge of 51% issued equity shares

Mortgage on immovable assets of borrower other than project assets

First charge by way of hypothecation of unsecured loan infused as Promoters' Contribution till currency of PFC loan.

11(b) Other financial liabilities

| Particulars | Non- Current | Current |
|---|--------------------------|-----------------------------|
| | As at 31st March 2023 | As at 31st March 2023 |
| Preference Shares* | 3,295.55 | - |
| Balance in Related Parties | 19.33 | 0.06 |
| Security Deposit & withheld - Contractors | 839.99 | - |
| Mobilization Advances | 4,591.53 | 1,503.73 |
| Other Liabilities | 73.66 | 481.19 |
| | 8,820.05 | 1,984.98 |

*6% Redeemable Non Convertible Non Cumulative Preference Shares 3,29,55,521 @Rs.10 each

12 Provisions

| Particulars | Non-current | Current |
|---------------------------------------|--------------------------|-----------------------------|
| | As at 31st March 2023 | As at 31st March 2023 |
| Provision for Salary & Reimbursements | - | 149.65 |
| Provision for Gratuity | 168.73 | 5.37 |
| Provision for Professional Tax | - | 0.86 |
| Provision for Provident Fund & ESIC | - | 21.94 |
| Provision for Expenses | 211.36 | 17,143.70 |
| | 380.09 | 17,321.51 |

13 Other liabilities

| Particulars | Non-current | Current |
|-----------------------|--------------------------|-----------------------------|
| | As at 31st March 2023 | As at 31st March 2023 |
| Statutory liabilities | - | 6,650.45 |
| Dividend Payable* | - | 395.47 |
| Other Payables | - | 891.60 |
| | - | 7,937.52 |

*Dividend payable on "6% redeemable non convertible non cumulative preference shares"



15 (a) Trade payables

| Particulars | Non-current | |
|---|--------------------------|--|
| | As at 31st March 2023 | As at 31st March 2023 |
| Trade payables | | |
| i. total outstanding dues of micro enterprises and small enterprises (refer note 34 for details of dues to micro and small enterprises) | - | 546.15 |
| ii. total outstanding dues of creditors other than micro enterprises and small enterprises | - | 5,683.14 |
| | - | <u>6,229.29</u> |
| | | |
| Particulars | Non-current | |
| | As at 31st March 2023 | Current As at 31st March 2023 |
| Trade payables others | - | 4,897.79 |
| Trade payables to related parties | - | 1,331.50 |
| | - | <u>6,229.29</u> |

Trade Payable Ageing as on 31.03.2023

| Particulars | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years | Total |
|---|---------------------|-------------|--------------|----------------------|-----------------|
| i. total outstanding dues of micro enterprises and small enterprises (refer note 34 for details of dues to micro and small enterprises) | 546.14 | - | - | - | 546.14 |
| ii. total outstanding dues of creditors other than micro enterprises and small enterprises | 5,622.26 | 9.70 | 20.55 | 30.63 | 5,683.14 |
| Total | 6,168.40 | 9.70 | 20.55 | 30.63 | 6,229.28 |

16 Tax asset/liability (net)

| Particulars | Current As at 31st March 2023 |
|--|--|
| | |
| Unsecured, considered good | |
| Provision for Income Tax | 1,276.40 |
| Less: Advance tax and tax deducted at source | (1,274.90) |
| | <u>1.50</u> |



14 Income tax

The major component of income tax expense for the year ended March 31, 2023 and March 31, 2023:

Income tax expense recognised in the statement of profit and loss

| Particulars | For the year ended 31st March 2023 |
|--|------------------------------------|
| Current income tax | |
| In respect of current year | (1,235.71) |
| Adjustment in respect of current income tax of previous year | (12.53) |
| Deferred tax credit | |
| In respect of current year | (28.15) |
| | (1,276.40) |

Reconciliation of tax expense and the accounting profit multiplied by the applicable tax rate(s) :

| Particulars | For the year ended 31st March 2023 |
|---|------------------------------------|
| Accounting profit before income tax | 9,782.24 |
| Less: Profits not liable for income tax | (4,851.64) |
| Adjusted Accounting profit before income tax | 4,930.59 |
| Tax expense at an Indian corporate tax rate | 1,221.86 |
| Effect of expenses that are not deductible in determining taxable profit | 67.47 |
| Effect of difference in tax rates used to calculate deferred tax on temporary differences | (42.11) |
| Effect of short provision of tax accounted in next year | - |
| Effect of current income tax of previous year | 12.53 |
| Adjustments in respect of current income tax booked in next year | - |
| Others effect | (9.48) |
| Total income tax payable as per Indian Corporate tax rate | 1,248.25 |
| Income tax expense reported in the statement of profit and loss for the current year | 1,248.25 |

Deferred tax:

Reflected in the balance sheet as follows:

| Particulars | As at 31st March 2023 |
|---|-----------------------|
| Deferred Tax Assets | - |
| Deferred Tax Liabilities | (1.99) |
| Deferred Tax Asset/(Liabilities) (net) | (1.99) |

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

In assessing the realisability of deferred tax assets, management considers whether it is probable, that some portion, or all, of the deferred tax assets will not be realised. The ultimate realisation of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences become deductible. Management considers the projected future taxable income and tax planning strategies in making this assessment. Based on the level of historical taxable income and projections for future taxable incomes over the periods in which the deferred tax assets are deductible, management believes that it is probable that the Company will be able to realise the benefits of those deductible differences in future.



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17 Revenue from operations

a) Disaggregated revenue information

Set out below is the disaggregation of the Company's revenue from contracts with customers:

| Particulars | For the year ended 31st March 2023 |
|---|------------------------------------|
| Type of services | |
| Income from contract - Construction | 65,673.67 |
| Income from sale of goods | 231.69 |
| Total revenue | 65,905.36 |
| Timing of revenue recognition | |
| Goods transferred & Services rendered over the time | 65,905.36 |
| Total revenue | 65,905.36 |

b) Contract balances

| Particulars | As at 31st March 2023 |
|-------------------|-----------------------|
| Trade receivables | 27,831.47 |

18 Other income

| Particulars | For the year ended 31st March 2023 |
|---|------------------------------------|
| Interest income | |
| - Bank deposits | 566.24 |
| Other non operating income | 46.32 |
| Profit on sale of Investment in shares* | 833.79 |
| | 1,446.35 |

*Profit is relating sale of investment in shares of Corbello Trading Pvt Ltd.

19 Cost of Operations

| Particulars | For the year ended 31st March 2023 |
|--|------------------------------------|
| Construction Contract Expenses | 27,457.19 |
| Construction Stores, Spares And Materials Consumed | 15,006.26 |
| Trading Purchases | 219.94 |
| | 42,683.39 |

20 Employee benefits expense

| Particulars | For the year ended 31st March 2023 |
|---|------------------------------------|
| Salaries, wages and bonus | 3,673.50 |
| Contribution to provident and other funds | 108.23 |
| Gratuity expenses | 47.20 |
| Staff welfare expenses | 162.84 |
| | 3,991.77 |

21 Finance costs

| Particulars | For the year ended 31st March 2023 |
|-----------------------------------|------------------------------------|
| Interest on Loans | 3,649.48 |
| Interest expense-Others | 48.44 |
| Bank charges & Other finance cost | 782.27 |
| | 4,480.19 |



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22 Depreciation and amortisation expense

| Particulars | For the year ended 31st March 2023 |
|---------------------------------------|---------------------------------------|
| Depreciation and amortisation expense | 2,138.66 |
| | 2,138.66 |

23 Other administrative expenses

| Particulars | For the year ended 31st March 2023 |
|---|---------------------------------------|
| Legal and professional expenses | 546.50 |
| Travelling and conveyance expenses | 481.25 |
| Motor Car Expenses | 228.06 |
| Corporate Social Responsibility Expense | 182.24 |
| Rent expenses | 318.63 |
| Gift & Donations | 75.30 |
| Insurance | 26.96 |
| Office expenses | 401.66 |
| Payment to auditors (Refer note 23a) | 50.56 |
| Power and fuel | 54.42 |
| Interest & Penalty | 27.35 |
| Business Promotion Expenses | 79.60 |
| Directors Remuneration | 1,144.52 |
| Director Siting Fee | 20.00 |
| Foreign Currency Exchange Loss | 59.52 |
| Miscellaneous Expenses | 578.90 |
| | 4,275.47 |

23a Payment to auditors:

| Particulars | For the year ended 31st March 2023 |
|---------------------|---------------------------------------|
| Audit Fees | 12.56 |
| Cost Audit Fees | 0.55 |
| Internal Audit Fees | 30.00 |
| Certification Fees | 3.40 |
| Other Matters | 4.05 |
| | 50.56 |



24 Earnings per share (EPS)

Basic and diluted EPS amounts are calculated by dividing the profit for the period attributable to equityholders of the Company by the weighted average number of equity shares outstanding during the period. The Company has not issued any dilutive potential equity shares that would convert into equity share.

The following reflects the income and share data used in the basic and diluted EPS computations:

| Particulars | For the year ended 31st March 2023 |
|--|---------------------------------------|
| Profit attributable to equity holders of the company | 8,569.01 |
| Weighted average number of equity shares used for computing earning per equity share (Basic) | 7,10,00,000 |
| Weighted average number of equity shares used for computing earning per equity share (Diluted) | 7,10,00,000 |
| Basic and diluted earning per equity share (In INR) | 12.07 |
| Face value per equity share (In INR) | 10.00 |

Reconciliation of weighted average number of equity shares for calculation of basic and diluted earnings per share:

| Particulars | Weighted average number of shares |
|--|--------------------------------------|
| Equity shares of face value of INR 10 per share: | |
| As at April 01, 2021 | 49,04,900 |
| Changes in equity shares during the year | 79,34,516 |
| As at March 31, 2022 | 1,28,39,416 |
| Changes in equity shares during the year | 5,81,60,584 |
| As at March 31, 2023 | 7,10,00,000 |



25 Components of other comprehensive income

The disaggregation of changes to OCI by each type of reserve in equity is shown below:

| Particulars | For the year ended 31st March 2023 |
|---|------------------------------------|
| A. Items that will not be reclassified to profit or loss | |
| Remeasurements of defined employee benefit | (8.04) |
| | <u>(8.04)</u> |

26 Employee benefits

Defined Benefit Plans - Gratuity:

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employees who have completed at least five years of service are entitled to specific benefit. The level of benefit provided depends on the member's length of service and salary retirement age. The employee is entitled to a benefit equivalent to 15 days salary for each completed year of service with part thereof in excess of six months on the basis of last drawn salary. The same is payable on termination of service or retirement or death whichever is earlier. The gratuity plan of the Company is unfunded.

The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation as at the reporting date using the projected unit credit method, which recognises 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. The obligations are measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans is based on the market yields on Government bonds as at the date of actuarial valuation. Actuarial gains and losses (net of tax) are recognised immediately in the Other Comprehensive Income (OCI).

These plans typically expose the Company to actuarial risks such as: Interest rate risk, Salary escalation risk, longevity risk and attrition risk etc.*

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Attrition risk: The present value of the defined benefit plan liability is calculated by reference to the attrition rate of plan participants. As such, an decrease in the attrition rate of the plan participants will increase the plan's liability.

* Other actuarial risks having no material impact are not disclosed.

The following tables summarise the components of net benefit expense recognised in the statement of profit or loss and amounts recognised in the balance sheet for the gratuity plan:

| Particulars | For the year ended 31st March 2023 |
|--|------------------------------------|
| Change in benefit obligation | |
| Present value of obligation as at the beginning of the period | 122.44 |
| Current service cost | 38.82 |
| Interest cost | 8.81 |
| Benefits paid directly by employer | (4.01) |
| Re-measurements due to: | |
| Actuarial loss/(gain) arising from change in financial assumptions | - |
| Actuarial loss/(gain) arising due to experience over the past year | 8.04 |
| Present value of obligation as at the end of the period | <u>174.10</u> |

The reconciliation of the present value of obligations and the fair value of plan assets to the assets and liabilities is as below:

| Particulars | As at 31st March 2023 |
|--|-----------------------|
| Present value of defined benefit obligations as at end of the year | 174.10 |
| Fair value of plan assets as at the end of the year | - |
| Liability recognised in the Balance Sheet as at the end of the year | <u>174.10</u> |
| Current | 5.37 |
| Non-current | <u>168.73</u> |
| | <u>174.10</u> |



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The net gratuity cost for the below mentioned years is as follows:

| Particulars | For the year ended 31st March 2023 |
|--|------------------------------------|
| Current service cost | |
| Interest cost | 38.82 |
| Net actuarial (Gain)/Loss | 8.38 |
| Less: Amount transferred to Vishvaraj Infrastructure Pvt Ltd | 8.04 |
| Net gratuity cost | <u>55.24</u> |

Amount recognised in Statement of Profit and Loss:

| Particulars | For the year ended 31st March 2023 |
|--|------------------------------------|
| Current service cost | |
| Interest cost on benefit obligation | 38.82 |
| Less: Amount transferred to Vishvaraj Infrastructure Pvt Ltd | 8.38 |
| Amount recognised in Statement of Profit and Loss | <u>47.20</u> |

Amount recognised in Other Comprehensive Income:

| Particulars | For the year ended 31st March 2023 |
|--|------------------------------------|
| Actuarial loss/(gain) arising from change in financial assumptions | - |
| Actuarial loss/(gain) arising due to experience over the past year | 8.04 |
| Amount of loss/(gain) recognised in Other Comprehensive Income | <u>8.04</u> |

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

| Particulars | 31st March 2023 |
|----------------------------------|-----------------|
| Discount rate (%) | 7.20% |
| Future salary increases (%) | 6.00% |
| Employee turnover (%) | 2.00% |
| Retirement Age (Years) | 58 |
| Mortality rate during employment | IALM 2012-14 |
| Mortality rate After employment | (Ult.) NA |



A quantitative sensitivity analysis for significant assumption as at March 31, 2023 is as shown below:

| Assumptions | Discount rate | | Future salary increase | |
|--------------------------------------|---------------|-------------|------------------------|-------------|
| | 1% decrease | 1% increase | 1% decrease | 1% increase |
| Impact on defined benefit obligation | 16.24 | (16.46) | (16.78) | 16.27 |
| Employee turnover | | | | |
| | 1% decrease | 1% increase | | |
| | 0.36 | (0.01) | | |

Note: Sensitivity analysis is Vishvaraj Environment Pvt Ltd specific

The sensitivity analyses above has been determined based on the method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

Sensitivities due to mortality and withdrawals are not material and hence impact of change not calculated. Sensitivities as to rate of inflation, rate of increase of pensions in payments, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

27 Commitments and Contingencies

a Contingent Liabilities

Liabilities which are material and whose future outcome cannot be reasonably ascertained are treated as contingent and are provided for and disclosed by way of notes to accounts.

I-Company has been sanctioned **bank guarantee** limits of Rs 21,900 Lakhs of which it has Utilized Rs 21,670.49 Lakhs. Further, the company also had BGs issued of Rs.3,380.11 Lakhs backed by 100% margin (FDR)

II-The Company has given **indemnity** to Dhivehi Insurance Company Pvt Ltd. , Male, Republic of Maldives of USD 27,73,384.49 (INR eqv. Rs.2279.17 Lakhs) for issuing a **surety bond** on behalf of the company. The surety bond was issued in favour of Ministry of National Planning, Housing and Infrastructure Male, Republic of Maldives, for securing the mobilisation advance received of USD 26,16,400.46 (INR eqv. Rs.2150.16 Lakhs); (outstanding balance as on 31.03.2023 is USD 2,38,008.85, INR eqv.Rs.195.60 Lakhs) for it's Maldives project. [Note: INR/USD rate=82.18 as on 31.03.2023 has been applied for calculating equivalent Indian rupees value]

III-The Company has given **indemnity** to Dhivehi Insurance Company Pvt Ltd. , Male, Republic of Maldives of USD=18,48,922.99 (INR eqv. Rs.1519.44 Lakhs) for issuing **performance security** in favour of Ministry of National Planning, Housing and Infrastructure Male, Republic of Maldives; on behalf of the company for its Maldives project. [Note: INR/USD rate=82.18 as on 31.03.2023 has been applied for calculating equivalent Indian rupees value]

b Limited period conditional Corporate Guarantee:

The Company is into project development, wherein it bids for PPP/HAM contracts, and sets up SPVs for executing the same. The project SPVs have secured cash flow based project financing; with VEPL responsible for the construction of the projects. SPV lenders have recourse only to the project cash flows at SPV during operational period for debt repayment, and VEPL is responsible for the construction of the project as well as the promoter contribution. VEPL contribution towards project cost is between 20-30% of the construction contract; and accordingly , VEPL is expected to undertake the construction risk. In view of the same, VEPL has provided conditional guarantee to the SPV project lenders till project stabilisation period linked to Commercial Operations Date of the projects. VEPL's exposure is significantly mitigated on account of the contractual clauses, wherein the project SPV Authority takes over most of the risk towards the lender's dues.

| Project | Chandrapur Waste Water | Maheshtala Waste Water |
|--|--|---|
| Peak Debt permissible | 5044 Lakhs | 10296 Lakhs |
| Debt o/s as on 31.3.23 | 5044 Lakhs | Nil |
| Corporate Guarantee to the project lender upto * | 2024 | 2026 |
| Authority at project | Mahagenco | NMCG (National Mission for Clean Ganga) |
| Relevant clause in the Concession Agreement with the Authority | Any Termination Payment by Authority shall include 100% of Lender's Dues | Any Termination Payment till the project COD by Authority shall be include atleast 85% of Lender's Dues |

* linked to the Commercial Operations Date of the project.

VEPL has agreed to provide Corporate guarantee on similar terms as the Maheshtala Project, to the project lender for the Agra SPV, but the guarantee document has not been executed as of 31.3.23

c Pledge of shares:

1-The Company has pledged 90% shareholding (no of shares 9,00,000) of **M/s Nagpur Waste Water Management Pvt Ltd. (NWWWML)** for NWWWML's projects loan of Rs. 48707 Lakhs in favour of NWWWML's project lender (Current O/s as on 31.03.23 Rs.39,282 Lakhs)

2-The Company has pledged 51% shareholding (no of shares 5,10,000) of **M/s Maheshtala Waste Water Management Pvt Ltd. (MWWWML)** for MWWWML's project loan of Rs.10296 Lakhs (EURO 13.50 Million) in favour of MWWWML's project lender (Current O/s as on 31.03.23 Rs.Nil).

3-The Company has pledged 74% shareholding (no of shares 92,87,000) of **M/s Chandrapur Waste Water Management Pvt Ltd. (CWWWML)** for CWWWML's projects loan of Rs.5044 Lakhs in favour of CWWWML's project lender (Current O/s as on 31.03.23 Rs.5044 Lakhs)



28 Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Director - General Management to make decisions about resources to be allocated to the segments and assess their performance.

Geographic Revenue

| Particulars | Year ended |
|---|------------------|
| | 31st March, 2023 |
| Revenue from operations from customers within India | 57,798.95 |
| Revenue from operations from customers outside India (not includes the export sale to branch Maldives as mentioned below) | 8,106.41 |
| Total Revenue | 65,905.36 |

Export Sale to Branch at Maldives

| Particulars | Year ended |
|--|------------------|
| | 31st March, 2023 |
| Revenue from operations from customers outside India [Export made by VEPL (I) to VEPL Maldives branch] | 1,584.94 |
| Less: Eliminations of Revenue | -1,584.94 |
| Total Revenue | - |

Segment assets

| Particulars | Year ended |
|----------------------|--------------------|
| | 31st March, 2023 |
| Assets within India | 1,33,753.27 |
| Assets outside India | 7,189.82 |
| Total Asset | 1,40,943.08 |

Segment Liabilities

| Particulars | Year ended |
|---------------------------|------------------|
| | 31st March, 2023 |
| Liabilities within India | 92,117.90 |
| Liabilities outside India | 3,117.21 |
| Total Liabilities | 95,235.11 |

29 Related party disclosures

A List of Related Parties

In accordance with the requirements of Ind AS -24 'Related Party Disclosures' names of the related parties, nature of related party relationship, transactions and outstanding balances where control exists and with whom transactions have taken place during the period are:

| Nature of relationship | Name of the parties |
|---|---|
| a) Holding Company | 1-Premier Financial Services Pvt Ltd |
| b) Subsidiary Company | 1-Nagpur Waste Water Management Pvt Ltd 2-Vepl MspI Smart Water Pvt Ltd 3-Chandrapur Waste Water Management Pvt Ltd 4-Maheshkala Waste Water Management Pvt Ltd 5-Vedic Waste Water Management Pvt Ltd 6-Agra Waste Water Management Pvt Ltd 7-Vishvaraj Waste Water Management Pvt Ltd |
| c) Joint Venture | 1-M/s Vishvaraj Vedic JV 2-M/s Jackson Vishvaraj JV |
| d) Common Director | 1-Vishvaraj Infrastructure Pvt Ltd 2-Vhcupl-Adcc Pinglai Infrastructure Pvt Ltd |
| e) Key management personnel and their relatives | 1-Mr.Arun Lakhani 2-Mr.Sidhaarth Lakhane 3-Mr.Sarang Lakhane 4-Mr.Suresh Agiwal 5-Mr.Satyajeet Raut 6-Mrs.Vandana Lakhani 7-Mr.Amit Sonkusare |
| f) Independent Directors | 1-Mr.Sutanu Behuria 2-Mr.Anurag Shrivatsava |
| g) JV Partner | 1-Mechatronics System Pvt Ltd |



B Disclosure of transactions between the Company and related parties are as under:

| Particulars | For the year ended 31st March 2023 |
|---|------------------------------------|
| I- Revenue from Operations: | |
| Chandrapur Waste Water Management Pvt Ltd | 2,595.41 |
| Mahesthala Waste Water Management Pvt Ltd | 4,426.23 |
| Vedic Waste Water Management Pvt Ltd | 227.34 |
| Agra Waste Water Management Pvt Ltd | 4,497.06 |
| M/s Jackson Vishvaraj JV | 2,430.32 |
| II- Material Purchases/Contract Services: | |
| Vishvaraj Infrastructure Pvt Ltd (Previously Known as Vishvaraj Infrastructure Ltd) | 1,723.37 |
| III- Directors Remunerations: | |
| Mr.Arun Lakhani | |
| Mr.Sidhaatha Lakhane | 300.00 |
| Mr.Sarang Lakhane | 300.00 |
| Mr.Suresh Agiwal | 300.00 |
| Mr.Satyajeet Raut | 129.63 |
| | 114.89 |
| IV- Directors Siting Fees: | |
| Mr.Sutanu Behuria | |
| Mr.Anurag Shrivatsava | 10.00 |
| | 10.00 |
| V- Rent Paid: | |
| Mrs.Vandana Lakhani | |
| | 18.00 |
| VI- Salary Paid: | |
| Mrs.Vandana Lakhani | |
| Mr.Amit Sonkusare | - |
| | 28.19 |
| VII- Interest Paid: | |
| Premier Financials Services Pvt Ltd | |
| | 152.20 |

Note : All the transactions entered with related parties (above) are at arm's length price & in normal course of business.

C Disclosure of outstanding balances are as under:

| Name of Party | Type | As at 31st March 2023 |
|---|---|--------------------------|
| | | Dr/(Cr) |
| 1 Vishvaraj Infrastructure Pvt Ltd | Trade Payable-EPC Contract | (1,331.50) |
| 2 M/s Vishvaraj- Vedic JV | Short Term Loans & Advances (on behalf Exp) | 0.30 |
| 3 M/S Jackson-Vishvaraj JV | Trade Receivable-EPC Contract | 2,794.87 |
| 4 Premier Financial Services Pvt Ltd | Short Term Borrowing | (8,126.98) |
| 5 Premier Financial Services Pvt Ltd | Short Term Loans & Advances (on behalf Exp) | - |
| 6 Vhcpl-Adcc Pinglai Infrastructure Pvt Ltd | Other financial liabilities | - |
| 7 Vandana Lakhani | Rent Payable | (1.62) |
| 8 Sarang Lakhane | Sponsorship Advance | - |
| 9 Sarang Lakhane | Other financial liabilities | (73.66) |
| 10 Mechatronisc Systems Pvt Ltd | Other Loans and advances | 159.34 |
| 11 Mechatronisc Systems Pvt Ltd | Trade Payables | - |



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30 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

| Particulars | Carrying value | Fair value |
|--|------------------|------------------|
| | 31st March 2023 | 31st March 2023 |
| Financial assets (at amortised cost) | | |
| Trade receivables | 27,831.47 | 27,831.47 |
| Other bank balances | 20,043.75 | 20,043.75 |
| Cash and cash equivalents | 2,602.36 | 2,602.36 |
| Other financial asset | 1,090.90 | 1,090.90 |
| Loans & Advances Current | 520.17 | 520.17 |
| | 52,088.67 | 52,088.67 |
| Financial liabilities (at amortised cost) | | |
| Borrowings | 52,558.18 | 52,558.18 |
| Trade payables | 6,229.29 | 6,229.29 |
| Other financial liabilities | 10,805.03 | 10,805.03 |
| | 69,592.49 | 69,592.49 |

The management assessed that the fair values of short term financial assets and liabilities significantly approximate their carrying amounts largely due to the short-term maturities of these instruments.

31 Fair value hierarchy

The Fair Value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following levels:

Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. This includes quoted financial instruments, government securities, borrowings and mutual funds that have quoted price.

Level 2: Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This includes derivative financial instruments.

Level 3: Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. This includes unquoted equity shares.

Quantitative disclosures fair value measurement hierarchy for assets as at 31 March 2023

| | Date of valuation | Total | Fair value measurement using | | |
|---|-------------------|-----------|---|---|---|
| | | | Quoted prices in active markets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Financial Assets- amortised cost | | | | | |
| Trade receivables | | 27,831.47 | - | - | - |
| Other bank balances | | 20,043.75 | - | - | - |
| Cash and cash equivalents | | 2,602.36 | - | - | - |
| Other financial asset | | 1,090.90 | - | - | - |
| Loans & Advances Current | | 520.17 | - | - | - |
| Financial liabilities - amortised cost | | | | | |
| Term Loan | | 52,558.18 | - | - | - |
| Trade payables | | 6,229.29 | - | - | - |
| Other financial liabilities | | 10,805.03 | - | - | - |



32 Financial risk management objectives and policies

The Company's principal financial liabilities comprise trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade and other receivables, cash and cash equivalents, unbilled receivables and other financial assets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company senior management oversees the management of these risks. The Company's senior management reviews the financial risks and the appropriate financial risk governance framework for the Company. The Company financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

A. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of three types of risk: currency risk, interest rate risk and equity price risk. The currency risk, interest rate risk and equity price risk is not applicable for the Company.

32.1 Credit risk management

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its other activities including derivative contracts (if any). The Company generally deals with parties which has good credit rating/ worthiness or based on Company internal assessment as listed below.

| Particulars | 31st March 2023 |
|------------------------|--------------------|
| Trade receivables | 27,831.47 |
| Other Financial Assets | 1,090.90 |
| Total | 28,922.38 |

32.2 Liquidity risk management

The Company manages liquidity risk by maintaining adequate reserves, banking facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders, wherever applicable.

The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

| Particulars | Notes | Carrying amount | Less than 1 Year | 1-2 Years | 2-3 Years | More than 3 Years |
|----------------------------------|--------|--------------------|------------------|-------------|--------------|----------------------|
| Year ended March 31, 2023 | | | | | | |
| Trade payables | 15 (a) | 6,229.29 | 6,168.40 | 9.70 | 20.55 | 30.63 |
| Borrowings | 11(a) | 52,558.18 | NA | NA | NA | NA |
| Other financial liabilities | 11(b) | 10,805.03 | NA | NA | NA | NA |
| | | 69,592.49 | 6,168.40 | 9.70 | 20.55 | 30.63 |



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33 Capital management

The Board's policy maintains a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders, if any.

For the purpose of the Company's capital management, capital includes issued equity capital, general reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitor the return on capital employed as well as the level of dividend to shareholders, if any.

The Company monitors capital using a gearing ratio, which is borrowing (Non Current) divided by total capital (Equity and Reserve & Surplus).

| Particulars | 31st March 2023 |
|--|-----------------|
| Borrowings (Non Current) | 40,637.48 |
| Total Capital (Equity, Other Equity & Minority Interest) | 45,707.97 |
| Gearing ratio (%) | 88.91% |

34 Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 28 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers, the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the Micro, Small and Medium Enterprise Development Act, 2006 ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2021 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

| Particulars | 31st March 2023 |
|---|-----------------|
| (a) Principal amount remaining unpaid to suppliers | 546.15 |
| (a-II) Principal amount paid to beyond due date | 179.08 |
| (b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - |
| (c) 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 the Micro, Small and Medium Enterprises Development Act, 2006; | - |
| (d) the amount of interest accrued and remaining unpaid at the end of each accounting year; and | 0.74 |
| (e) the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - |



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35 CSR expenditure as per Section 135 of the Companies Act 2013

a) Vishvaraj Environment Pvt Ltd

| Particulars | 31st March 2023 |
|---|-----------------|
| i) Gross amount required to be spent by the Company during the year | 44.83 |
| ii) Total amount spent during the financial year | 110.24 |
| iii) Previous years excess (short) spent/unspent balance | 160.08 |
| iv) Total CSR spent balance (ii+iii) | 270.32 |
| v) Spent out of previous years excess (short) spent/unspent balance | 44.83 |
| vi) Spent out of current year payment | - |
| vii) Total Spent (v+vi) | 44.83 |
| viii) Excess/(Short) amount spent for the financial year (iv-vii) | 225.49 |
| ix) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| x) Amount available for set off in succeeding financial years (viii+ix) | 225.49 |

b) Nagpur Waste Water Management Pvt Ltd

| Particulars | 31st March 2023 |
|---|-----------------|
| i) Gross amount required to be spent by the Company during the year | 53.99 |
| ii) Total amount spent during the financial year | 72.00 |
| iii) Previous years excess (short) spent/unspent balance | (18.40) |
| iv) Total CSR spent balance (ii+iii) | 53.60 |
| v) Spent out of previous years excess (short) spent/unspent balance | - |
| vi) Spent out of current year payment | 53.60 |
| vii) Total Spent (v+vi) | 53.60 |
| viii) Excess/(Short) amount spent for the financial year (iv-vii) | (0.38) |
| ix) Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | - |
| x) Amount available for set off in succeeding financial years (viii+ix) | (0.38) |



36 First-time adoption of Ind AS

The financial statements for the year ending March 31, 2023 would be the first financial statements prepared in accordance with Ind AS.

The adoption was carried out in accordance with Ind AS 101 using balance sheet as at April 01, 2021 as the transition date. The transition was carried out from Indian GAAP, which was considered as the previous GAAP. All applicable Ind AS have been applied consistently and retrospectively, wherever, required. The resulting difference between the carrying amounts of the assets and liabilities in the financial statements under both Ind AS and previous GAAP as of the transition date are recognized directly in equity (Retained Earnings) at the date of transition to Ind AS.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on or after April 1, 2021, together with the comparative period data as at and for the year ended March 31, 2022, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2021, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the balance sheet as at April 01, 2021 and the financial statements as at and for the year ended March 31, 2022.

1 Mandatory exceptions:

a) Estimates

The estimates at April 01, 2021 and at March 31, 2022 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies)

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2021, the date of transition to Ind AS and as of March 31, 2022

Ind AS 101 treats the information received after the date of transition to Ind ASs as non-adjusting events. The entity shall not reflect that new information in its opening Ind AS Balance Sheet (unless the estimates need adjustment for any differences in accounting policies or there is objective evidence that the estimates were in error).

b) De-recognition of financial assets:

The Company has applied the de-recognition requirements in Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

c) Classification and measurement of financial assets:

Financial assets like security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

d) Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind AS, the Company has determined that there is no increase in credit risk since the initial recognition of a financial instrument.

2 Exemptions applied:

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

Deemed cost

As per Ind AS 101 an entity may elect to:

- measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date;
- use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to :
 - fair value
 - or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index
- use carrying values of property, plant and equipment as on the date of transition to Ind AS (which are measured in accordance with previous GAAP) if there has been no change in its functional currency on the date of transition.

On the date of transition, the Company has availed the optional exemption available and has measured its Property, plant and equipment, Capital work-in-progress and Intangible assets in accordance with Ind AS 16 and Ind AS 38.



37 Reconciliation of equity as reported in previous GAAP to Ind AS:

| Particulars | Notes | As at 31st March 2023 |
|---|-------|--------------------------|
| Equity as reported under previous IGAAP | | 45,707.97 |
| a). Ind AS adjustments that leads to increase in equity | | - |
| b). Ind AS adjustments that leads to decrease in equity | | - |
| i. Discounting of security deposits | | - |
| c). Deferred tax impact on above adjustments | | - |
| Equity as reported under Ind AS | | 45,707.97 |

A. Employee benefit expense

Both under Previous GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Previous GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

B. Deferred tax

Previous GAAP requires deferred tax accounting using the profit and loss account approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the Balance Sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences relating to various transition adjustments which are recognised in correlation to the underlying transaction either in retained earnings as a separate component in equity.

C. Other comprehensive income

Under previous GAAP, the Company has not presented other comprehensive income (OCI) separately. Hence, it has reconciled previous GAAP profit or loss to profit or profit or loss as per Ind AS. Further, previous GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

D. Statement of cash flows

The transition from Indian GAAP to Ind AS has not had a material impact on the statement of cash flows.



38 Other Statutory Information

- i) During the year, the company has not entered into any transaction with companies struck off under section 248 of the companies act, 2013 or section 560 of companies act, 1956.
- ii) No proceeding has been initiated or pending against the company for holding any benami property under the benami transactions (prohibition) act, 1988 (us of 1988) an rules made thereunder.
- iii) The company has not been declared a wilful defaulter by any bank financial institution or other lender.
- iv) There are no charges or satisfaction yet to be registered with roc beyond the statutory period.
- v) There are no transaction which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the income tax act, 1961.
- vi) The company has not traded or invested in crypto currency or virtual currency during the financial year.
- vii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (viii) The Company has not entered into any scheme of arrangement which has an accounting impact on the current or previous financial year
- ix) Utilization of borrowed funds and share premium:
 - a. No fund (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person or entity, including foreign entity ("intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other person or entities identified in any manner whatsoever by or on behalf of the company ("ultimate beneficiaries") or provided any guarantee, security or the link on behalf of the ultimate beneficiaries.
 - b. No funds (which are material either individually or in the aggregate) have been received by the company from any person or entity, including foreign entity ("funding parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding parties ("ultimate beneficiaries") or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- c) The Company has not made any Loans and Advances in the nature of loans to promoters, directors, Key Managerial Personnel and related parties either jointly or severally that are repayable on demand or without specifying any term of period of repayment.
- d) The Company has not received any whistle blower complaints during the year.

39 Event occurred after the Balance Sheet date

The Company evaluates events and transactions that occur subsequent to the Balance sheet date but prior to the approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in financial statements. there were no subsequent events to be recognised or reported that are not already disclosed elsewhere in these financial statements.

40 Investor Education and Protection fund

There are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 2013.



41 Other Information

a) Demand:

The Deputy Commissioner of Income Tax – 3(3)(1) (“the Assessing Officer”) while doing scrutiny assessment for AY 2020-21, denied certain deductions amounting to Rs. 50 lacs vide order passed u/s. 143(3) of the Act dated September 29, 2022 which has resulted into lower Income Tax Refund to the tune of Rs. 13.46 lacs. Aggrieved by the order the Learned AO, the company has filed an appeal before the first appellate authority [i.e. Commissioner of Income Tax (appeals)] on October 15, 2022 which is pending for disposal.



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42 Disclosure of various ratios

| S.No. | Particulars | Numerator | Amount | Ratios |
|-------|---|---|--------------------------|--------------------------|
| | | Denominator | As at 31st March 2023 | As at 31st March 2023 |
| 1 | Current ratio (Number of times) | Current Assets | 65,786.08 | 1.45 |
| | | Current Liabilities | 45,395.50 | |
| 2 | Debt-Equity ratio (Number of times) | Total Debt (long term) | 40,637.48 | 0.89 |
| | | Total Equity (incl Minority Interest) | 45,707.97 | |
| 3 | Debt service coverage ratio (Number of times) | Net Profit after taxes+ Non-cash operating expenses+ Interest on loans | 14,365.18 | 1.96 |
| | | Interest on Loans and Principal Repayment | 7,318.97 | |
| 4 | Return on equity ratio (in %) | Net Profit after Tax | 8,569.01 | 21.67% |
| | | Average Shareholders Equity | 39,543.90 | |
| 5 | Trade receivables turnover ratio (in times) | Revenue from operations | 65,905.36 | 3.74 |
| | | Average trade receivables | 17,642.02 | |
| 6 | Trade payables turnover ratio (Number of times) | Operating Expenses | 42,683.39 | 6.14 |
| | | Average trade payables | 6,954.14 | |
| 7 | Net capital turnover ratio (Number of times) | Revenue from operations | 65,905.36 | 4.38 |
| | | Average Working capital (Total current assets less Total current liabilities) | 15,053.79 | |
| 8 | Net profit ratio (%) | Net Profit after Tax | 8,569.01 | 13.00% |
| | | Revenue from operations | 65,905.36 | |
| 9 | Return on capital employed (%) | Profit before Interest and taxes | 13,431.71 | 15.86% |
| | | Average Capital employed (Total Assets less Current Liabilities) | 84,674.46 | |
| 10 | Return on investment (in %) | Income generated from invested funds | - | NA |
| | | Average invested funds in treasury investments | - | |



43 Additional Regulatory Information Required by Schedule III of Companies Act, 2013

(a) Disclosures of transactions with struck off Companies

The Company did not have any material transactions with companies struck off under Section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956 during the financial year.

(b) No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

- i Crypto Currency or Virtual Currency.
- ii Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- iii Registration of charges or satisfaction with Registrar of Companies.
- iv Relating to borrowed funds:
 - Wilful defaulter
 - Utilisation of borrowed funds & share premium
 - Borrowings obtained on the basis of security of current assets
 - Discrepancy in utilisation of borrowings
 - Current maturity of long term borrowings
- v Undisclosed income
- vi Loans and advances to specified persons

(c) Disclosures of compliance with number of layers of companies

The Company has complied with the requirements of the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

For J.P. Joshi & Associates
Chartered Accountants
ICAI FRN : 116953W

CA J.P. JOSHI
Partner
M. No. 102218
UDIN:25102218BBIQFU9718

Place : Nagpur
Date: 13th September 2025

For and on behalf of the Board of Directors of
Vishvaraj Environment Limited
(Formerly known as Vishvaraj Environment Private Limited)

Arun Lakhani
Managing Director
DIN: 00294583

Suresh Agiwal
Director
DIN: 01660403

Girish Nadkarni
Chief Financial Officer

Anil Sonkusare
Company Secretary
M.No-F11853