

**Independent Auditors' Report**

**To the Members of Rite Water Solutions (India) Private Limited**

**Report on the Audit of the Standalone Financial Statements**

**Opinion**

We have audited the accompanying standalone financial statements of Rite Water Solutions (India) Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2024, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the *Code of Ethics* issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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 obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements

**Emphasis of Matter**

We draw attention to note 40 of the financial statement about the exit proposal agreed between the Company, its promoters and its one of the investors during FY23 including payment of additional considerations, contingent upon certain conditions agreed therein and accounting treatment thereof in the books for FY23 and FY24.

Our opinion is not modified with respect to above matter.

**Information Other than the Financial Statements and Auditors' Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors Report, but does not include the financial statements and our auditor's report thereon. The Directors Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

PKF SRIDHAR & SANTHANAM LLP • 201, 2nd Floor, Centre Point Building, Dr. Ambedkar Road, Opp. Bharat Mata Cinema, Parel, Mumbai, 400012, India • Tel.: +91 22 2418 0163 • Email: [mumbai@pkfindia.in](mailto:mumbai@pkfindia.in)

Head Office/Registered Office: 91/92, VII Floor, Dr. Radhakrishnan Road, Mylapore, Chennai, 600004, India • Tel.: +91 44 2811 2985 – 88 Fax.: +91 44 2811 2989 • Email: [sands@pkfindia.in](mailto:sands@pkfindia.in) • Web: [www.pkfindia.in](http://www.pkfindia.in)

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## **Responsibilities of the Management and Board of Directors for Standalone Financial Statements**

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

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Standalone Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to the standalone financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

### **Other Matters**

The financial information of the Company for the year ended 31 March 2023 and the transition date opening balance sheet as at 01 April 2022 included in these standalone financial statements, are based on the previously issued statutory financial statements for the years ended 31 March 2023 and 31 March 2022 respectively prepared in accordance with the Companies (Accounting Standards) Rules, 2021, have been audited by us and we issued our audit opinion by vide our audit reports dated August 16, 2023 and September 29, 2022 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to Ind AS have been audited by us.

Our opinion is not modified in respect of these matters.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of accounts as required by the law have been kept by the Company, in electronic mode on servers physically located in India, including relevant records relating to preparation of the aforesaid Standalone Financial Statements have been kept so far as it appears from our examination of those books
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) The observation relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph (b) above.
  - (g) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements – Refer Note 33 to the financial statements;
- ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. – Refer Note 39(xii) to the financial statements
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2024 – Refer Note 39(xiii) to the financial statements;
- iv. (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in Note no. 39(v) of the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;  
  
(b) The management has represented, that, to the best of its knowledge and belief, as disclosed in Note no. 39(vi) of the standalone financial statements, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries  
  
(c) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- v. As stated in note 39(x) to the standalone financial statements, the company has not declared or paid any dividend during the year hence compliance with Section 123 of Companies Act 2013 on Declaration of Dividend is not applicable for the year.
- vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility effective from 14<sup>th</sup> April 2023 and the same has operated throughout the year for all relevant transactions recorded in the software.

Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only from April 1, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

3. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

Since the Company is a private limited company, the provisions of Section 197 of the Act are not applicable to it. Accordingly, reporting on compliance with the provisions of Section 197 of the Act is not applicable.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

**Dhiraj Kumar Birla**

Partner

Membership No. 131178

Place: Mumbai

Date: September 16, 2024

UDIN: **24131178BKFJEE3570**

## Annexure A

**Referred to in paragraph 1 on 'Report on Other Legal and Regulatory Requirements' of our report of even date to the members of Rite Water Solutions (India) Private Limited ("the Company") on the standalone financial statements as of and for the year ended 31 March 2024.**

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

- (i) (a)
    - (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipments.
    - (B) The Company has maintained proper records showing full particulars of intangible assets.
  - (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified at least once a year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, fixed assets were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed in such verification.
  - (c) According to the information and explanations given to us and the basis of our examination of the records of the company, the title deeds of the immovable properties (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in its earlier name i.e. 'Nagpur Aquatech Private Limited'.
  - (d) The Company has not revalued its Property, Plant and Equipment (including Right of Use assets) and intangible assets during the year and hence this clause is not applicable to the Company.
  - (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibitions) Act, 1988 (45 of 1988) and rules made thereunder.
- (ii)
- a) The inventory, except goods in transit, has been physically verified by the management on monthly basis. In our opinion, the frequency of such verification is reasonable. In respect of goods-in-transit, substantial subsequent goods receipts have been verified. In our opinion, the coverage and procedure of such verification by the management is appropriate. The discrepancies noticed on verification between the physical stocks and the book records are not 10% or more in the aggregate for each class of inventory.
  - b) Based on our audit procedures & according to the information and explanation given to us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. The differences noticed between the quarterly return in respect of trade receivables, inventories and trade payables submitted to bank and the books of account, did not materially affect the drawing power and the required security cover computed in accordance with the sanctioned terms.
- (iii)
- (a) The Company has made investments in Rite Water Lake City LLP, a limited liability partnership registered under the provisions of Limited Liability Partnership Act, 2008, where a company has management control through 51% partnership share and provided advances to meet the working capital requirement in the nature of unsecured advances in the nature of the loan.

## (A) Subsidiaries, joint ventures and associates:

	Guarantees	Security	Loans	Advances in nature of Loans
Aggregate amount granted/ provided during the year				
- Subsidiaries	-	-	-	Rs. 0.02 mn
- Joint Venture	-	-	-	
- Associate	-	-	-	
Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	-	-	-	Rs. Nil (Net of provision)
- Joint Venture	-	-	-	-
- Associate	-	-	-	-

## (B) Other than subsidiaries, joint ventures and associates:

	Guarantees	Security	Loans	Advances in nature of Loans
Aggregate amount granted/ provided during the year				
- Subsidiaries	-	-	-	-
- Joint Venture	-	-	-	Rs. 0.55 mn (LLP under management control)
- Associate	-	-	-	-
Balance outstanding as at balance sheet date in respect of above cases				
- Subsidiaries	-	-	-	-
- Joint Venture	-	-	-	Rs. Nil (Net of provision) (LLP under management control)

- Associate	-	-	-	-
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- (b) The Company has not provided guarantees or given security during the year. Accordingly, paragraph 3 (iiib) of the Order is not applicable to the Company.
- (c) In respect of following loans and advances in the nature of loans, the schedule of repayment of principal has not been stipulated and amount has not been demanded

Name of the entity	Amount	Principal / Interest	Due date	Extent of delay	Remarks, if any
Rite Water Lake City LLP	Nil (net of provisions)	Nil (net of provisions)	Not specified	Not Claimed	Repayment schedule is not stipulated and entire advance is provided for.
Rite Water India Private Limited	Nil (net of provisions)	Nil (net of provisions)	Not specified	Not Claimed	Repayment schedule is not stipulated and entire advance is provided for

d) There are no amounts overdue for more than ninety days as at the balance sheet date in respect of loan given and reasonable steps have been taken by the Company for recovery of the principal and interest.

e) No loans or advance in the nature of loan granted have fallen due during the year and hence the question of the loan has been renewed or extended or fresh loans granted to settle the overdues of existing loan given to the same parties does not arise.

f) Based on our audit procedures and according to the information and explanation given to us, the Company has granted loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment as follows:

	All parties	Promotors	Related parties
Aggregate amount of loans/advances in nature of loan			
– Repayable on demand (A)	-	-	-
– Agreement does not specify any terms or period of repayment (B)	Nil (Net of Provision) (LLP under management control)	-	Nil (Net of Provision) (LLP under management control)
Total (A+B)			
Percentage of loans/advances in nature of loan to the total loans	-	-	-

- (iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees, and securities
- (v) Based on our audit procedures & according to the information and explanation given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of the Act and the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) The Company is not required to maintain cost records specified by the Central Government under sub section (1) of section 148 of the Act. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.
- (vii)
- (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has been regular in depositing undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and any other material statutory dues as applicable with the appropriate authorities except payment of Professional Tax in the State of Maharashtra (12 months), payment of goods and service tax in States of Bihar (3 months), Maharashtra (2 months), Jharkhand (2 months), Chhattisgarh (2 months), Madhya Pradesh (3 months), Rajasthan (2 months) and West Bengal (2 months) respectively. According to the information and explanation given to us and the records of the Company examined by us, no undisputed amounts payable in respect of statutory dues were in arrears, as at 31 March 2024 for a period of more than six months from the date they became payable except.

Nature of statutes	Nature of Dues	Amount (Rs. in mn)	Period to which amount relates	Date of Payment	Remarks
Income tax	Income tax demand u/s 270(A)	0.01	AY 2017-18	Not paid	The final interest amount is pending to be paid.

- (b) According to the information and explanations given to us and based on our examination of the records of the Company, there are no statutory dues referred to in sub-clause (a) as at 31 March 2024, which have not been deposited with the appropriate authorities on account of any dispute,

Nature of Statute	Nature of dues	Amount (Rs. in mn)	Period to which the Amount relates	Forum where dispute is pending
Income Tax	Income tax demand u/s 143(3)	0.68	AY 2018-19	Reply submitted to Central Processing Cell rejecting demand. Closure awaited.
	Income tax demand u/s 143(1a)	1.05	AY 2020-21	Reply submitted to Central Processing Cell rejecting demand. Closure awaited.
	Income tax demand u/s 143(1)	0.00*	AY 2023-24	Interest amount. To be paid

	TDS Default	0.02	Various Years	Reply submitted to online. Closure awaited.
	Difference between GSTR-3B and GSTR-7 and penalty under Section-73.	2.93	AY 2020-21	Appeal is filed

(\* Rounded less than 1000)

- (viii) As per the information and explanations given by the management and on the basis of our examination of the records of the Company, no amount has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961. Accordingly, paragraph 3(viii) of the order is not applicable to the Company.
- (ix)
- (a) The Company has not defaulted in repayment of loans or other borrowings or in payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us and the records of the Company examined by us, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and the records of the Company examined by us, no funds raised on short term basis have been utilized for long term purposes.
- (e) The Company has not taken funds from any entity or person on account of or to meet the obligations of its subsidiaries, joint ventures or associate companies.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- (x)
- (a) The Company has not raised any money during the year by way of initial public offer/further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has made preferential allotment and private placement of shares (fully or partly or optionally) and there is no non-compliance of section 42 & 62 of the companies act, 2013 and the funds raised have been used for the purpose for which funds were raised except in case of temporary investments in bank fixed deposits and Mutual funds till such time actual utilisation / deployment is completed, hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi)
- (a) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no material fraud by the Company or on the Company has been noticed or reported during the year.
- (b) No report under sub-section 12 of Section 143 of the Act has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014, with the Central Government of India for the period covered by our audit.
- (c) To the best of our knowledge and belief and according to the information and explanations given to us, we report that no whistle blower complaints were received during the year by the Company.
- (xii) The Company is not a Nidhi company in accordance with Nidhi Rules 2014. Accordingly, paragraph 3(xii)(a) to (c) of the Order is not applicable.

- (xiii) All the transactions entered into with the related parties during the year are in compliance with Section 177 and Section 188 of the Act where applicable and the details have been disclosed in the standalone financial statements as required by the Indian accounting standard Related Party Disclosures (Ind AS 24).
- (xiv)
- (a). The Company has an internal audit system commensurate with the size and nature of its business.
- (b). We have considered the reports of the Internal Auditors for the period under audit.
- (xv) On the basis of the information and explanations given to us, in our opinion, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of Reserve Bank of India Act, 1934 (2 of 1934).
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and hence the questions of fulfilling criteria of a CIC, and in case the Company is an exempted or unregistered CIC, whether it continues to fulfill such criteria, do not arise. Accordingly, paragraph 3(xvi)(c) of the Order is not applicable to the Company.
- (d) According to the information and explanations given to us, none of the group companies are Core Investment Company (CIC) and hence the question of number of CICs which are part of the Group does not arise. Accordingly, paragraph 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly, this clause is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) There is no amount remaining unspent other than ongoing projects, the requirement to transfer unspent amount to a Fund specified in Schedule VII of the Act does not arise. Therefore clause 3(xx)(a) of the Order is not applicable to it.

(xxi)

(b). In respect of ongoing projects, the Company has transferred an unspent amount to a Special Account, within a period of 30 days from the end of the financial year in compliance with Sec.135(6) of the said Act.

**For PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

**Dhiraj Kumar Birla**

Partner

Membership No. 131178

Place: Mumbai

Date: September 16, 2024

UDIN: **24131178BKFJEE3570**

**Annexure B**

Referred to in paragraph 2(g) on 'Report on Other Legal and Regulatory Requirements' of our report of even date

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

We have audited the internal financial controls with reference to standalone financial statements of Rite Water Solutions (India) Private Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's and Board of Directors' Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

**Meaning of Internal Financial Controls with reference to standalone financial statements**

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

### **Inherent Limitations of Internal Financial Controls with reference to standalone financial statements**

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

### **Opinion**

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal control with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **PKF Sridhar & Santhanam LLP**

Chartered Accountants

Firm's Registration No.003990S/S200018

**Dhiraj Kumar Birla**

Partner

Membership No. 131178

Place: Mumbai

Date: September 16, 2024

UDIN: **24131178BKFJEE3570**

**Rite Water Solutions (India) Private Limited**

CIN: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

**Standalone Balance Sheet as at March 31, 2024**

(All amounts are in Rupees millions, unless otherwise stated)

Particulars	Note no.	March 31, 2024	March 31, 2023	April 01, 2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	3A	20.71	20.46	10.91
Right of use assets	3B	3.32	5.81	5.92
Intangible Assets	3C	0.07	0.08	0.14
Financial assets				
Investments	4	0.10	-	-
Loans	5	-	-	-
Other financial assets	6	143.04	136.05	116.24
Deferred Tax Assets	7	25.82	74.61	127.15
Other non-current assets	8	33.36	30.15	35.29
<b>Total non-current assets</b>		<b>226.42</b>	<b>267.16</b>	<b>295.65</b>
<b>Current assets</b>				
Inventories	9	133.88	65.96	30.93
Financial assets				
Investments	10	253.15	-	-
Trade receivables	11	351.18	211.08	337.11
Cash & Cash equivalents	12A	393.62	275.58	62.50
Other Bank Balances	12B	342.58	13.36	63.58
Other financial assets	6	983.31	433.61	206.25
Other current assets	8	94.07	27.87	54.59
<b>Total current assets</b>		<b>2,551.79</b>	<b>1,027.46</b>	<b>754.96</b>
<b>Total assets</b>		<b>2,778.21</b>	<b>1,294.62</b>	<b>1,050.61</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity share capital	13	23.85	28.11	26.05
Instruments entirely equity in nature	13	4.61	-	20.00
Other equity	14	2,256.44	943.74	657.33
<b>Total equity</b>		<b>2,284.90</b>	<b>971.85</b>	<b>703.38</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Financial Liabilities				
Borrowings	15A	6.21	8.24	1.84
Lease liabilities	3B	0.14	2.96	3.90
Other Financial Liability	16	3.21	3.54	4.82
Provisions	17	2.61	2.09	1.42
<b>Total non-current liabilities</b>		<b>12.17</b>	<b>16.83</b>	<b>11.98</b>
<b>Current liabilities</b>				
Financial liabilities				
Borrowings	15B	166.11	29.13	179.02
Lease liabilities	3B	3.41	3.12	2.09
Trade payables	18			
Total outstanding dues of micro enterprises and small enterprises; and		30.94	2.28	0.01
Total outstanding dues of creditors other than micro enterprises and small enterprises		179.77	199.03	120.25
Other financial liabilities	16	19.80	28.88	11.09
Other current liabilities	19	26.29	19.15	4.03
Provisions	17	18.76	19.78	7.32
Current tax liabilities		36.06	4.57	11.44
<b>Total current liabilities</b>		<b>481.14</b>	<b>305.94</b>	<b>335.25</b>
<b>Total liabilities</b>		<b>493.31</b>	<b>322.77</b>	<b>347.23</b>
<b>Total equity and liabilities</b>		<b>2,778.21</b>	<b>1,294.62</b>	<b>1,050.61</b>

Summary of Material accounting policies

2

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached hereto

For PKF Sridhar &amp; Santhanam LLP

Chartered Accountants

Firm Registration No. 0039905/S200018

For and on behalf of the Board

**Rite Water Solutions (India) Private Limited****Dhiraj Kumar Birla**

Partner

Membership No: 131178

Date: 16 September, 2024

Place: Mumbai

**Abhijeet Gan**

Director

DIN: 01350305

Date: 16 September, 2024

Place: Nagpur

**Vinayak Gan**

Director

DIN: 01581401

Date: 16 September, 2024

Place: Nagpur

**Rite Water Solutions (India) Private Limited**

CIN: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

**Standalone Statement of Profit and Loss for the year ended 31, 2024**

(All amounts are in Rupees millions, unless otherwise stated)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations	20	2,111.36	1,192.85
Other income	21	55.67	23.28
<b>Total Revenue</b>		<b>2,167.03</b>	<b>1,216.13</b>
<b>Expenses</b>			
Cost of material consumed	22	955.83	348.66
Changes in inventories of finished goods	23	7.70	(7.70)
Employee benefit expense	24	110.97	92.17
Finance costs	25	20.38	28.77
Depreciation and amortisation expense	3	7.41	6.43
Other expenses	26	491.81	399.69
<b>Total expenses</b>		<b>1,594.10</b>	<b>868.02</b>
<b>Profit before exceptional items and tax</b>		<b>572.93</b>	<b>348.11</b>
Exceptional Items	40	-	(29.31)
<b>Profit before tax</b>		<b>572.93</b>	<b>377.42</b>
Tax expense :			
a) Current tax		125.40	56.09
b) Earlier year tax		6.20	-
c) Deferred tax		48.83	52.51
<b>Total tax expense</b>		<b>180.43</b>	<b>108.60</b>
<b>Profit for the year</b>		<b>392.50</b>	<b>268.82</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations		0.12	0.06
Income tax relating to items above		(0.04)	(0.02)
<b>Total Comprehensive income for the year, net of tax</b>		<b>0.08</b>	<b>0.04</b>
<b>Total comprehensive income for the year</b>		<b>392.58</b>	<b>268.86</b>
<b>Earnings per equity share</b>			
Basic earnings per share	27	177.54	95.65
Diluted earnings per share		164.00	95.65

Summary of Material accounting policies

2

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached hereto

**For PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm Registration No. 0039905/S200018

For and on behalf of the Board  
**Rite Water Solutions (India) Private Limited**

**Dhiraj Kumar Birla**  
Partner  
Membership No: 131178

Date: 16 September, 2024  
Place: Mumbai

**Abhijeet Gan**  
Director  
DIN: 01350305  
Date: 16 September, 2024  
Place: Nagpur

**Vinayak Gan**  
Director  
DIN: 01581401  
Date: 16 September, 2024  
Place: Nagpur

**Rite Water Solutions (India) Private Limited**

CIN: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

**Standalone Statement of Cash Flow for the year ended March 31, 2024**

(All amounts are in Rupees millions, unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
<b>Cash flow from operating activities</b>		
Profit before tax	572.93	377.42
<b>Adjustments for :</b>		
Depreciation and amortisation expense (including Right of use assets)	7.41	6.43
Interest on Lease Liability	0.35	0.60
Bad Debts and Expected credit loss	24.69	24.45
Balances written back	(0.08)	(1.77)
Interest on unwinding of Lease deposits	(0.04)	(0.02)
Finance cost	19.68	28.17
Fair valuation gain on security deposits	(6.02)	(14.65)
Fair valuation of investments	(2.71)	-
Interest income on deposits	(23.17)	(6.80)
Operating profit before working capital changes	<b>593.04</b>	<b>413.83</b>
Decrease/(increase) in inventories	(67.92)	(35.03)
Decrease/(increase) in trade receivables	(164.80)	101.58
Decrease/(increase) in other non current assets	(3.21)	5.14
Decrease/(increase) in other current assets	(66.21)	26.72
Decrease/(increase) in other non current financial assets	(0.93)	(5.21)
Decrease/(increase) in other current financial assets	(549.71)	(227.36)
Increase/(decrease) in trade payables	9.48	82.82
Increase/(decrease) in non current provisions	0.64	0.73
Increase/(decrease) in current provisions	(1.02)	12.46
Increase/(decrease) in other current liabilities	7.14	15.12
Increase/(decrease) in other current financial liabilities	(9.08)	17.79
Increase/(decrease) in other non current financial liabilities	(0.33)	(1.28)
<b>Cash generated from operations</b>	<b>(252.91)</b>	<b>407.31</b>
Income taxes paid	(100.19)	(62.93)
<b>Net cash inflow (used in) / generated from operating activities</b>	<b>(353.10)</b>	<b>344.38</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(3.79)	(12.94)
Purchase of Mutual Fund investments (net)	(250.44)	-
Investments in fixed deposits with remaining maturity of more than 3 months (net)	(329.23)	50.22
Interest income on deposits	23.17	6.80
Investment in Subsidiary	(0.10)	-
<b>Net cash (used in) / generated from investing activities</b>	<b>(560.39)</b>	<b>44.08</b>
<b>Cash flows from financing activities</b>		
Increase/(decrease) in long term borrowings	(2.04)	6.40
Increase/(decrease) in short term borrowings	136.97	(149.90)
Payment of lease rentals	(4.20)	(3.31)
Finance cost	(19.68)	(28.17)
Dividend Paid	-	(0.40)
Proceeds from issue of equity shares & Instruments entirely equity in nature	990.48	-
Buy Back of equity shares	(70.00)	-
<b>Net cash generated from / (used in) from financing activities</b>	<b>1,031.53</b>	<b>(175.38)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>118.04</b>	<b>213.08</b>
Add: Cash and cash equivalents at the beginning of the financial year	275.58	62.50
<b>Cash and cash equivalents at end of the year (note 12A)</b>	<b>393.62</b>	<b>275.58</b>

Summary of Material accounting policies

2

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached hereto

**For PKF Sridhar & Santhanam LLP**  
 Chartered Accountants  
 Firm Registration No. 0039905/S200018

For and on behalf of the Board  
**Rite Water Solutions (India) Private Limited**

**Dhiraj Kumar Birla**  
 Partner  
 Membership No: 131178  
  
 Date: 16 September, 2024  
 Place: Mumbai

**Abhijeet Gan**  
 Director  
 DIN: 01350305  
 Date: 16 September, 2024  
 Place: Nagpur

**Vinayak Gan**  
 Director  
 DIN: 01581401  
 Date: 16 September, 2024  
 Place: Nagpur

**Rite Water Solutions (India) Private Limited**

CIN: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

**Notes to Standalone Financial Statements**

(All amounts are in Rupees millions, unless otherwise stated)

**A. Equity Share Capital**

Particulars	No. of shares	Amount
Issued, Subscribed and fully paid equity shares of Rs 10 each		
<b>As at April 01, 2022</b>	<b>26,05,291</b>	<b>26.05</b>
Changes in Equity Share Capital due to prior period errors	-	-
<b>Balance as at April 01, 2022</b>	<b>26,05,291</b>	<b>26.05</b>
Changes in Equity Share Capital	2,05,300	2.06
<b>As at March 31, 2023</b>	<b>28,10,591</b>	<b>28.11</b>
Changes in Equity Share Capital due to prior period errors	-	-
<b>Balance as at April 01, 2023</b>	<b>28,10,591</b>	<b>28.11</b>
Changes in Equity Share Capital due to prior period errors	-	-
Less: Buy back during the year	(6,39,516)	(6.40)
Add: Issued during the year	2,13,818	2.14
<b>As at March 31, 2024</b>	<b>23,84,893</b>	<b>23.85</b>

**B. Other Equity**

Particulars	Securities premium	Capital Reserve	General Reserve	Capital Redemption Reserve	Debenture Redemption Reserve	Retained Earnings	Total other equity
<b>Balance at April 01, 2022 as per IGAAP</b>	<b>35.67</b>	<b>0.69</b>	<b>3.15</b>	<b>-</b>	<b>10.00</b>	<b>637.42</b>	<b>686.93</b>
Ind AS first time adoption adjustments	-	(0.69)	-	-	-	(28.91)	(29.60)
<b>Total additions/ transfers for the year</b>	<b>-</b>	<b>(0.69)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(28.91)</b>	<b>(29.60)</b>
<b>Balance at April 01, 2022 as per Ind AS</b>	<b>35.67</b>	<b>-</b>	<b>3.15</b>	<b>-</b>	<b>10.00</b>	<b>608.51</b>	<b>657.33</b>
Profit during the year	-	-	-	-	-	268.82	268.82
Other Comprehensive Income	-	-	-	-	-	0.04	0.04
Transaction with owners (dividend paid)	-	-	-	-	-	(0.40)	(0.40)
Movement during the year	17.95	-	10.00	-	(10.00)	-	17.95
Ind AS Adjustment	-	-	-	-	-	-	-
<b>Balance as at March 31, 2023</b>	<b>53.62</b>	<b>-</b>	<b>13.15</b>	<b>-</b>	<b>-</b>	<b>876.97</b>	<b>943.74</b>
Profit during the year	-	-	-	-	-	392.50	392.50
Other Comprehensive Income	-	-	-	-	-	0.08	0.08
Redemption during the year	(53.62)	-	(9.99)	-	-	-	(63.61)
Addition during the year	983.73	-	-	-	-	-	983.73
Transfer	-	-	-	6.40	-	(6.40)	-
Transaction with owners	-	-	-	-	-	-	-
<b>Balance as at March 31, 2024</b>	<b>983.73</b>	<b>-</b>	<b>3.16</b>	<b>6.40</b>	<b>-</b>	<b>1,263.15</b>	<b>2,256.44</b>

Summary of Material accounting policies

2

The accompanying notes form an integral part of the standalone financial statements

As per our report of even date attached hereto

**For PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm Registration No. 0039905/S200018

For and On behalf of the Board  
**Rite Water Solutions (India) Private Limited**

**Dhiraj Kumar Birla**  
Partner  
Membership No: 1311178

**Abhijeet Gan**  
Director  
DIN: 01350305

**Vinayak Gan**  
Director  
DIN: 01581401

Date: 16 September, 2024  
Place: Mumbai

Date: 16 September, 2024  
Place: Nagpur

Date: 16 September, 2024  
Place: Nagpur

**Rite Water Solutions India Private Limited**  
Notes to the standalone financial statements for the year ended March 31, 2024  
(All amounts in Rupees millions, unless otherwise stated)

**1. Corporate information**

Rite Water Solutions (India) Private Limited (“the Company”) is a private limited company domiciled in India. The Company was incorporated on 24th September, 2004. The Company is ISO 9001:2008 certified. The Company’s business consists of:-

- a) Providing portable water and water quality improvements solutions with focus on providing comprehensive, cost effective and sustainable solutions for safe drinking water to habitations where water sources are chemically & biologically contaminated;
- b) Providing a range of climate-based solutions that address various environmental challenges (including but not limited to solutions comprising of clean drinking water solutions, waste-water solutions, solar pumping solutions for irrigation water and IOT-based solutions for sectors such as water, energy, agriculture, etc.);
- c) providing rural development solutions (including solar cooling, digital technology solutions, etc.) to positively impact rural communities;

Financial Statements have been prepared and presented in Indian Rupees, unless otherwise stated and rounded off up to two decimals to rupees in millions.

**2.1 Material accounting policies**

**(A) Basis of preparation and statement of compliance**

The financial statements of the Company have been prepared on an accrual basis and under the historical cost convention except for certain financial instruments, which have been measured at fair value. The accounting policies are consistently applied by the Company to all the period mentioned in the financial statements. The financial statements have been prepared in accordance with the Indian Accounting Standards (“Ind AS”) notified under section 133 of the Companies Act, 2013 (“the Act”) read with the Companies (Indian Accounting Standards) Rules, 2015, (as amended) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Company.

The Company’s financial statements up to and for the year ended March 31, 2023 were prepared in accordance with the Companies (Accounting Standards) Rules, 2021, notified under Section 133 of the Act and other relevant provisions of the Act (Indian GAAP).

As these are the Company’s first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance of the Company is provided in notes to financial statements.

**(B) Summary of material accounting policies**

**a. Current versus non-current classification**

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

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

**Rite Water Solutions India Private Limited**  
Notes to the standalone financial statements for the year ended March 31, 2024  
(All amounts in Rupees millions, unless otherwise stated)

All other assets are classified as non-current.

A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is held primarily for the purpose of trading
- (iii) It is due to be settled within twelve months after the reporting period, or
- (iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### **b. Foreign currencies**

The Company's financial statements are presented in INR, which is also its functional currency.

##### **Transactions and balances**

Transactions denominated in foreign currencies are initially recorded at the exchange rate prevailing on the date of transaction or that approximates the actual rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI [Other Comprehensive Income] or statement of profit or loss are also recognised in OCI or profit or loss, respectively).

#### **c. Fair value measurement**

The Company measures financial instruments, such as, investments (except investment in subsidiaries and entities under management control) at fair value at each balance sheet 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:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

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

**Rite Water Solutions India Private Limited**

Notes to the standalone financial statements for the year ended March 31, 2024  
(All amounts in Rupees millions, unless otherwise stated)

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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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:

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

For assets and liabilities whether transfers have occurred between levels in the hierarchy by re-assessing that are recognised in the financial statements on a recurring basis, the Company determines 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.

The management determines the policies and procedures for both recurring fair value measurement as well as for non-recurring measurement.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**d. Investment in subsidiaries and entities under management controls**

The Company records the investments in subsidiaries and entities under management controls at the initial transaction price less impairment loss, if any.

**Impairment of investments:**

The Company reviews its carrying value of investments carried at cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is recorded in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the Investment is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the cost of the Investment. A reversal of an impairment loss is recognised immediately in statement of profit or loss.

**e. Revenue from contract with customer**

Company earns revenue from sale of goods (including under work contracts), sale of water, operation and maintenance contract (including comprehensive maintenance contracts). Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation and recognized as follows:

- Revenue from contracts with customers for sale of goods (including under works contract and sale of water) is recognised when control of the goods are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods as per the contract. The Company has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods before transferring them to the customer. Revenue from Water sales is recognized on the basis of monthly collection report send by the various site in charge.
- Revenue from contracts with customers under operations and maintenance contracts is recognised over the time as control of maintenance services are transferred to the customer at an amount that reflects the consideration agreed upfront. Any modifications to these contract are assessed to determine whether they represent a separate performance obligation or a change to the existing obligation. Adjustments to revenue are made prospectively.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in note 2.2.

**Variable consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts provide customers with a right of return the goods within a specified period.

**Trade receivables**

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

**Contract Assets**

A contract asset is the right to consideration in exchange for goods transferred to the customer. If the Company performs its obligation by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Contract liabilities**

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Company transfers the related goods or services. Contract liabilities are recognised as revenue when the Company performs under the contract (i.e., transfers control of the related goods or services to the customer).

**f. Other income**

- Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
- Income from cost sharing arrangements with subsidiary companies are accounted as and when such related costs are incurred.

**g. Taxes**

**Current income tax**

Current income tax assets and liabilities 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, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI 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.

**Deferred tax**

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

***Goods and Services tax paid on acquisition of assets or on incurring expenses***

Expenses and assets are recognised net of the amount of Goods and Services tax paid, except:

- (i) When the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- (ii) When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

**h. Property, plant and equipment (including Capital work in progress)**

Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. It comprises of the cost of property, plant and equipment that are not yet ready for their intended use as at the balance sheet date.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as prescribed under Part C of 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.

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.

The residual values are not more than 5% of the original cost of the item of Property, Plant and Equipment. 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.

**i. Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**j. Leases**

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

**Company as a lessee**

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

**Short-term leases and leases of low-value assets**

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

**i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes

## Rite Water Solutions India Private Limited

Notes to the standalone financial statements for the year ended March 31, 2024  
(All amounts in Rupees millions, unless otherwise stated)

the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

### **k. Inventories**

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- (i) Raw materials: cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on first-in, first out method.
- (ii) Work in progress and Finished goods: cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

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

### **l. Impairment of non-financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on future cash flows after considering economic condition and estimated future operating results which are prepared separately for each of the Company's CGU.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

### **m. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the

## Rite Water Solutions India Private Limited

Notes to the standalone financial statements for the year ended March 31, 2024  
(All amounts in Rupees millions, unless otherwise stated)

obligation and a reliable estimate can be made of the amount of the obligation. 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 risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### **n. Retirement and other employee benefits**

#### **Short Term Employee Benefits:**

All employee benefits payable within twelve months of rendering the service are classified as short term benefits. Such benefits include salaries, wages, bonus, short term compensated absences, performance pay etc. and the same are recognised in the period in which the employee renders the related service.

#### **Post-Employment Benefits:**

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company operates a defined benefit gratuity plan in India, which is currently unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, the effect of the liability ceiling, 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 in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss:

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- (ii) Net interest expense

### **o. 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.

#### **Financial assets**

##### ***Initial recognition and measurement***

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price determined under Ind AS 115.

**Rite Water Solutions India Private Limited**

Notes to the standalone financial statements for the year ended March 31, 2024  
(All amounts in Rupees millions, unless otherwise stated)

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

***Subsequent measurement***

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

- (i) Financial assets at amortised cost (debt instruments)
- (ii) Financial assets at fair value through other comprehensive income (FVTOCI) with recycling of cumulative gains and losses (debt instruments)
- (iii) Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- (iv) Financial assets at fair value through profit or loss

***Financial assets at amortised cost (debt instruments)***

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. The Company's financial assets at amortised cost includes trade receivables and other receivables.

***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

This category includes mutual fund investments and listed equity investments which the Company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are recognised in the statement of profit and loss when the right of payment has been established.

### ***Derecognition***

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

- (i) The rights to receive cash flows from the asset have expired, or
- (ii) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

### ***Impairment of financial assets***

In accordance with Ind-AS 109, the Company applies expected credit loss ("ECL") model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets whose credit risk has not significantly increased since initial recognition, loss allowance equal to twelve months expected credit loss is recognised. Loss allowance of equal to the lifetime expected credit losses is recognised if the credit risk of the financial asset has significantly increased since initial recognition.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events on a financial instrument that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, a Company is required to consider:

- (i) All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company is required to use the remaining contractual term of the financial instrument
- (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life

**Rite Water Solutions India Private Limited**  
Notes to the standalone financial statements for the year ended March 31, 2024  
(All amounts in Rupees millions, unless otherwise stated)

of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the Statement of profit and loss. This amount is reflected in a separate line in the Statement of profit and loss as an impairment gain or loss. The balance sheet presentation is described below:

Financial assets measured as at amortized cost and contractual revenue receivables. ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount.

## **Financial liabilities**

### ***Initial recognition and measurement***

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including cash credits / bank overdrafts.

### **Subsequent measurement**

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

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

### ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Company has not designated any financial liability as at fair value through profit or loss.

### ***Financial liabilities at amortised cost (Loans and borrowings)***

This is the category most relevant to the Company. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

**Rite Water Solutions India Private Limited**  
Notes to the standalone financial statements for the year ended March 31, 2024  
(All amounts in Rupees millions, unless otherwise stated)

This category generally applies to borrowings.

***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.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset, and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**p. Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash, balance with banks in current accounts and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash, balance with bank in current accounts and balance with banks in short-term deposits accounts, as defined above are considered an integral part of the Company's cash management.

**q. Segment Reporting**

Operating segments are identified and reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Board of Directors of the Company have been identified as the chief operating decision maker of the Company.

**r. Contingent liability**

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which 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 or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made

**s. Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss attributable to equity holders 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 of the Company and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**2.2 Material accounting policy information**

**Significant accounting judgements, estimates and assumptions**

The preparation of the Company's financial statements as per Ind AS requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

**Rite Water Solutions India Private Limited**  
Notes to the standalone financial statements for the year ended March 31, 2024  
(All amounts in Rupees millions, unless otherwise stated)

Other disclosures relating to the Company's exposure to risks and uncertainties includes:

- Capital management
- Financial risk management objectives and policies
- Sensitivity analyses disclosures

**Estimates and assumptions:**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are as below:

**Revenue from contract with customer – recoverability of consideration**

The Company uses judgement to determine when control of its goods, passes to the customer and there is no risk of its collectability. This is assessed with reference to indicators of control, including the risks and rewards of ownership and legal title with reference to the underlying terms of the customer contract.

**Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill recognised by the Company. The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis.

**Provision for expected credit losses of trade receivables and contract assets**

The Company uses a provision matrix to calculate ECLs for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed flow rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed flow rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

**Defined benefit plans (gratuity benefits)**

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**Fair value measurement of financial instruments**

When the fair value of financial assets and liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using net asset value published by fund house and valuation techniques including the discounted cash flow (DCF) model. The inputs to these models are taken from

**Rite Water Solutions India Private Limited**

Notes to the standalone financial statements for the year ended March 31, 2024  
(All amounts in Rupees millions, unless otherwise stated)

observable markets if available, otherwise, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of the financial instrument.

**Leases - Estimating the incremental borrowing rate**

The Company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Company 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Company estimates the IBR using observable inputs (such as market interest rates applicable to existing borrowings).

**Rite Water Solutions (India) Private Limited**

CIN: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

**Notes to Standalone Financial Statements**

(All amounts are in Rupees millions, unless otherwise stated)

**Note 3A: Property, Plant and Equipmentw**

Particulars	Land	Factory shed	Plant and Machinery	Computers & Printers	Office Equipment's	Furniture and Fixtures	Vehicles	Total
<b>Year ended March 31, 2023</b>								
<b>Gross carrying value</b>								
Carrying value as at April 1, 2022	1.05	1.59	3.64	0.88	0.61	0.58	2.56	10.91
Additions	-	-	0.76	1.24	0.63	0.17	10.08	12.88
Deductions	-	-	-	-	-	-	-	-
<b>Closing gross carrying value as at March 31, 2023</b>	<b>1.05</b>	<b>1.59</b>	<b>4.40</b>	<b>2.12</b>	<b>1.24</b>	<b>0.75</b>	<b>12.64</b>	<b>23.79</b>
<b>Accumulated depreciation</b>								
Accumulated Depreciation as at April 1, 2022	-	-	-	-	-	-	-	-
Depreciation charge of the year	-	0.11	0.64	0.70	0.40	0.43	1.05	3.33
Deductions	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation as at March 31, 2023</b>	<b>-</b>	<b>0.11</b>	<b>0.64</b>	<b>0.70</b>	<b>0.40</b>	<b>0.43</b>	<b>1.05</b>	<b>3.33</b>
<b>Net carrying value as at March 31, 2023</b>	<b>1.05</b>	<b>1.48</b>	<b>3.76</b>	<b>1.42</b>	<b>0.84</b>	<b>0.32</b>	<b>11.59</b>	<b>20.46</b>
<b>Year ended March 31, 2024</b>								
<b>Gross carrying value</b>								
Carrying value as at April 1, 2023	1.05	1.59	4.40	2.12	1.24	0.75	12.64	23.79
Additions	-	-	0.29	2.20	0.42	0.38	0.50	3.79
Deductions	-	-	-	-	-	-	-	-
<b>Closing gross carrying value as at March 31, 2024</b>	<b>1.05</b>	<b>1.59</b>	<b>4.69</b>	<b>4.32</b>	<b>1.66</b>	<b>1.13</b>	<b>13.14</b>	<b>27.58</b>
<b>Accumulated depreciation</b>								
Accumulated Depreciation as at April 1, 2023	-	0.11	0.64	0.70	0.40	0.43	1.05	3.33
Depreciation charge of the year	-	0.11	0.30	0.92	0.25	0.07	1.89	3.54
Deductions	-	-	-	-	-	-	-	-
<b>Closing accumulated depreciation as at March 31, 2024</b>	<b>-</b>	<b>0.22</b>	<b>0.94</b>	<b>1.62</b>	<b>0.65</b>	<b>0.50</b>	<b>2.94</b>	<b>6.87</b>
<b>Net carrying value as at March 31, 2024</b>	<b>1.05</b>	<b>1.37</b>	<b>3.75</b>	<b>2.70</b>	<b>1.01</b>	<b>0.63</b>	<b>10.20</b>	<b>20.71</b>

**Notes:**

- The Company has elected to continue with the carrying value of property, plant and equipment's as recognised in financial statements as per Indian GAAP and regard those value as deemed costs on the date of transition.
- The title deeds of the immovable properties (other than immovable properties where the Company is the lessee, and the lease agreements are duly executed in favor of the lessee) disclosed in the standalone financial statements are held in its earlier name i.e. 'Nagpur Aquatech Private Limited.

**Note 3B: Right of use assets**
**Company as Lessee**

- The Company has lease contracts for Office buildings and godowns. Leases of office building and godowns generally have lease terms between 11 months and 3 years.
- The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for leases.

**Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:**

Particulars	Building	Total
<b>Year ended March 31, 2023</b>		
<b>Gross carrying value</b>		
Carrying value as at April 1, 2022	5.92	5.92
Additions	2.87	2.87
Disposals	-	-
<b>Closing gross carrying value as at March 31, 2023</b>	<b>8.79</b>	<b>8.79</b>
<b>Accumulated depreciation</b>		
Accumulated Depreciation as at April 1, 2022	-	-
Depreciation charge of the year	2.98	2.98
Disposals	-	-
<b>Closing accumulated depreciation as at March 31, 2023</b>	<b>2.98</b>	<b>2.98</b>
<b>Net carrying value as at March 31, 2023</b>	<b>5.81</b>	<b>5.81</b>
<b>Year ended March 31, 2024</b>		
<b>Gross carrying value</b>		
Carrying value as at April 1, 2023	8.79	8.79
Additions	2.65	2.65
Disposals	(1.28)	(1.28)
<b>Closing gross carrying value as at March 31, 2024</b>	<b>10.16</b>	<b>10.16</b>
<b>Accumulated depreciation</b>		
Accumulated Depreciation as at April 1, 2023	2.98	2.98
Depreciation charge of the year	3.86	3.86
Disposals	-	-
<b>Closing accumulated depreciation as at March 31, 2024</b>	<b>6.84</b>	<b>6.84</b>
<b>Net carrying value as at March 31, 2024</b>	<b>3.32</b>	<b>3.32</b>

**Lease Liabilities**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	March 31, 2024	March 31, 2023
As at April 01	6.08	5.99
Additions	2.57	2.80
Accretion of interest	0.45	0.60
Less Payments	(4.20)	(3.31)
Less: Termination	(1.35)	-
<b>As at March 31</b>	<b>3.55</b>	<b>6.08</b>
Current	3.41	3.12
Non- current	0.14	2.96

The following are the amounts recognised in profit or loss:

Particulars	March 31, 2024	March 31, 2023
Depreciation expense of right-of-use assets	3.85	2.98
Interest expense on lease liabilities	0.45	0.60
Expense relating to short-term leases	7.93	6.45
<b>Total amount recognised in profit or loss</b>	<b>12.23</b>	<b>10.03</b>

**Note 3C: Intangible Assets**

Particulars	Software	Total
<b>Year ended March 31, 2023</b>		
<b>Gross carrying value</b>		
Carrying value as at April 1, 2022	0.14	0.14
Additions	0.06	0.06
Deductions	-	-
<b>Closing gross carrying value as at March 31, 2023</b>	<b>0.20</b>	<b>0.20</b>
<b>Accumulated depreciation</b>		
Accumulated Depreciation as at April 1, 2022	-	-
Depreciation charge of the year	0.12	0.12
Deductions	-	-
<b>Closing accumulated depreciation as at March 31, 2023</b>	<b>0.12</b>	<b>0.12</b>
<b>Net carrying value as at March 31, 2023</b>	<b>0.08</b>	<b>0.08</b>
<b>Year ended March 31, 2024</b>		
<b>Gross carrying value</b>		
Carrying value as at April 1, 2023	0.20	0.20
Additions	-	-
Deductions	-	-
<b>Closing gross carrying value as at March 31, 2024</b>	<b>0.20</b>	<b>0.20</b>
<b>Accumulated depreciation</b>		
Accumulated Depreciation as at April 1, 2023	0.12	0.12
Depreciation charge of the year	0.01	0.01
Deductions	-	-
<b>Closing accumulated depreciation as at March 31, 2024</b>	<b>0.13</b>	<b>0.13</b>
<b>Net carrying value as at March 31, 2024</b>	<b>0.07</b>	<b>0.07</b>

1. The Company has elected to continue with the carrying value of property, plant and equipment's as recognised in financial statements as per Indian GAAP and regard those value as deemed costs on the date of transition.

**Rite Water Solutions (India) Private Limited**

CIN: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

**Notes to Standalone Financial Statements**

(All amounts are in Rupees millions, unless otherwise stated)

**Note 4: Non- current Investments**

Particulars	Face value	Number of shares/ units	Amount	Number of shares/ units	Amount	Number of shares/ units	Amount
		March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023	April 01, 2022	April 01, 2022
<b>Unquoted Investments carried at cost</b>							
<b>Investment in equity instruments (fully paid-up):</b>							
<b>Investment in subsidiaries:</b>							
Rite Water India Private Limited	INR 100	3,500	0.10	3,500	0.10	3,500	0.10
Clintech Equipment's and Solutions Private Limited	INR 10	10,000	0.10	-	-	-	-
<b>Investment in others:</b>							
Investment in Rite Water Lake city LLP #			0.51		0.51		0.51
Less: Impairment allowance on investments			(0.61)		(0.61)		(0.61)
			<b>0.10</b>		<b>-</b>		<b>-</b>
<b># Detail regarding Investment in Limited Liability Partnership firm:</b>							
<b>a) Name of Limited Liability Partnership firm</b>							
Rite Water Lake City LLP							
<b>b) Name of all Partners</b>							
i) Rite Water Lake City LLP, represented by its Director Abhijeet Gan							
ii) Krupali Wagh							
<b>c) Ordinary capital and profit sharing ratio of each partner</b>							
i) Rite Water Solutions India Pvt Ltd (50% profit share)			0.51		0.51		0.51
ii) Krupali Wagh (50% profit share) *			-		-		-
<b>* Amount outstanding to be contributed</b>							
Aggregate carrying value of unquoted investments			0.10		-		-
Aggregate and Fair value of Quoted investment			-		-		-
Aggregate value of impairment of Investment			0.61		0.61		0.61

**Note 5: Loans**

Particulars	March 31, 2024		March 31, 2023		April 01, 2022	
	Current	Non- current	Current	Non- current	Current	Non- current
Loans to related party (Unsecured) (Refer note 29)	-	0.08	-	0.05	-	0.02
Less: Impairment allowance	-	(0.08)	-	(0.05)	-	(0.02)
	-	-	-	-	-	-

**Note 6: Other financial assets**

Particulars	March 31, 2024		March 31, 2023		April 01, 2022	
	Current	Non- current	Current	Non- current	Current	Non- current
<b>Unsecured, Considered Good, unless otherwise stated</b>						
Current account balance in LLP	-	28.57	-	27.76	-	26.55
Less: Impairment on current account balance in LLP	-	(28.57)	-	(27.76)	-	(26.55)
Deposit with banks	259.48	17.49	60.73	11.09	50.65	8.43
Interest accrued but not due on deposits	8.63	1.76	1.27	0.40	1.61	0.40
Security Deposits (refer note 2 below)	104.60	122.73	27.62	119.49	21.28	106.89
Less: Impairment on security deposits	-	(0.58)	-	(0.02)	-	(0.02)
Lease Deposits	0.65	0.86	0.48	0.25	0.17	0.22
Other Deposits	-	0.78	-	4.84	-	0.32
Other receivables	0.02	-	0.06	-	0.06	-
Contract assets	641.68	-	344.36	-	133.38	-
Less: Impairment on contract assets	(31.75)	-	(0.91)	-	(0.90)	-
	<b>983.31</b>	<b>143.04</b>	<b>433.61</b>	<b>136.05</b>	<b>206.25</b>	<b>116.24</b>

**Note :**

- No loans are due from directors or other officers of the Company, either severally or jointly with any other person. Further no loans are due from firms or private companies, respectively in which any director is a partner, a director or a member other than as disclosed in Note 29.
- Security deposits for performance of customer contracts are given in the form of Security Deposits / Earnest Money Deposits for performance contracts.

## Rite Water Solutions (India) Private Limited

CIN: U29100MH2004PTC148812

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### Notes to Standalone Financial Statements

(All amounts are in Rupees millions, unless otherwise stated)

#### Note 7: Income Taxes

The major components of income tax expense for the year ended March 31, 2024 and March 31, 2023 are:

#### Statement of profit and loss:

##### Profit and loss section

	March 31, 2024	March 31, 2023
<b>Current income tax:</b>		
Current income tax charge	125.40	56.09
Adjustment of tax relating to earlier periods	6.20	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	48.83	52.51
<b>Tax expense reported in the statement of profit and loss</b>	<b>180.43</b>	<b>108.60</b>

##### Deferred tax related to items recognised in other comprehensive income

	March 31, 2024	March 31, 2023
Net (loss)/gain on remeasurements of defined benefit plans	0.04	0.02
<b>Income tax charged to OCI</b>	<b>0.04</b>	<b>0.02</b>

Reconciliation of tax expense and the accounting profit multiplied by applicable tax rate for March 31, 2024 and March 31, 2023:

	March 31, 2024	March 31, 2023
Accounting profit before tax	572.93	377.42
<b>Tax as per India's statutory income tax rate of 29.12% (March 31, 2023: 29.12%)</b>	<b>166.84</b>	<b>109.90</b>
Adjustment of tax relating to earlier periods	6.20	-
Effect of non-deductible expenses for tax purposes	2.92	1.08
Effect of difference in tax rates	-	-
Others	4.47	(2.38)
<b>Income tax expense reported in the Statement of profit and loss</b>	<b>180.43</b>	<b>108.60</b>

#### Deferred tax

Deferred tax relates to the following:

##### Balance sheet

	March 31, 2024	March 31, 2023
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation charged	0.18	0.14
Financial assets at fair value through profit or loss	0.71	0.67
Gratuity (incl OCI)	0.90	0.73
Expected credit loss on financial assets	23.95	18.38
Leases	0.08	0.09
MAT Credit	-	54.60
<b>Deferred tax assets/(liabilities), net</b>	<b>25.82</b>	<b>74.61</b>

##### Statement of profit and loss

	March 31, 2024	March 31, 2023
Property, plant and equipment: Impact of difference between tax depreciation and depreciation/amortisation charged	0.04	0.21
Financial assets at fair value through profit or loss	0.04	(16.00)
Gratuity	0.13	0.16
Expected credit loss on financial assets	5.57	6.06
Leases	(0.01)	0.07
MAT Credit Utilised	(54.60)	(43.01)
<b>Deferred tax (expense) / income</b>	<b>(48.83)</b>	<b>(52.51)</b>

##### Reconciliation of deferred tax (liabilities)/Assets (net):

	March 31, 2024	March 31, 2023
<b>Opening balance as of April 1</b>	<b>74.61</b>	<b>127.10</b>
Tax (income)/expense during the period recognised in profit or loss	(48.83)	(52.51)
Tax (income)/expense during the period recognised in OCI	0.04	0.02
<b>Closing balance as at March 31</b>	<b>25.82</b>	<b>74.61</b>

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.

**Rite Water Solutions (India) Private Limited**

CIN: U29100MH2004PTC148812

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**Notes to Standalone Financial Statements**

(All amounts are in Rupees millions, unless otherwise stated)

**Note 8: Other assets**

Particulars	March 31, 2024		March 31, 2023		April 01, 2022	
	Current	Non-current	Current	Non-current	Current	Non-current
<b>Unsecured, Considered Good</b>						
<b>Balances with government authorities</b>						
Goods and Service Tax receivable	-	-	11.27	-	28.10	-
Prepaid Expenses	3.94	-	0.49	-	0.20	-
Prepaid security deposit	15.78	33.36	11.54	30.15	10.89	35.29
Advances to suppliers	72.49	-	3.46	-	11.55	-
Advances to staff	0.36	-	0.16	-	0.10	-
Advance against expenses	1.50	-	0.95	-	3.75	-
	<b>94.07</b>	<b>33.36</b>	<b>27.87</b>	<b>30.15</b>	<b>54.59</b>	<b>35.29</b>

**Note 9: Inventories**

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
<b>(Valued at Lower of Cost or Net Realisable Value)</b>			
Raw Materials	102.98	58.26	30.93
Finished Goods	-	7.70	-
Goods in Transit	30.90	-	-
<b>Total</b>	<b>133.88</b>	<b>65.96</b>	<b>30.93</b>

**Note 10: Current Investments**

Particulars	Face value	Number of shares/ units	Amount	Number of shares/ units	Amount	Number of shares/ units	Amount
		March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023	April 01, 2022	April 01, 2022
<b>Unquoted</b>							
<b>Investments carried at fair value through profit or loss</b>							
<b>Investment in debt mutual funds:</b>							
Aditya Birla Sunlife Liquid Fund	-	2,22,755.98	85.91	-	-	-	-
Axis Mutual Liquid Fund	-	30,356.72	80.88	-	-	-	-
Kotak Liquid Fund	-	1,135.86	5.50	-	-	-	-
Nippon India Liquid Fund	-	13,838.01	80.86	-	-	-	-
<b>Total</b>	-		<b>253.15</b>	-	-	-	-

**Note:**

Aggregate carrying value of unquoted investments	253.15	-	-
Aggregate and Fair value of quoted investment	-	-	-
Aggregate value of impairment of Investment	-	-	-

**Rite Water Solutions (India) Private Limited**

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**Notes to Standalone Financial Statements**

(All amounts are in Rupees millions, unless otherwise stated)

**Note 11: Trade receivables**

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
Trade receivables	371.83	244.85	351.30
Less: Impairment allowance	(20.65)	(33.77)	(14.19)
	<b>351.18</b>	<b>211.08</b>	<b>337.11</b>

**Break-up of security details**

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
Secured, considered good	-	-	-
Unsecured, considered good	351.18	211.08	337.11
Trade Receivables- credit impaired	20.65	33.77	14.19
	<b>371.83</b>	<b>244.85</b>	<b>351.30</b>
<b>Impairment Allowance</b>			
Trade Receivables- credit impaired	(20.65)	(33.77)	(14.19)
	<b>351.18</b>	<b>211.08</b>	<b>337.11</b>

**Ageing of Trade Receivables:**

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	269.53	0.02	65.89	15.74	-	351.18
(ii) Undisputed Trade Receivables which are having significant credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	0.07	-	2.34	9.35	8.89	20.65
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables which are having significant credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>TOTAL TRADE RECEIVABLES</b>	<b>269.60</b>	<b>0.02</b>	<b>68.23</b>	<b>25.09</b>	<b>8.89</b>	<b>371.83</b>

March 31, 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	152.09	1.12	53.20	4.67	-	211.08
(ii) Undisputed Trade Receivables which are having significant credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	0.19	0.31	33.27	33.77
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables which are having significant credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>TOTAL TRADE RECEIVABLES</b>	<b>152.09</b>	<b>1.12</b>	<b>53.39</b>	<b>4.98</b>	<b>33.27</b>	<b>244.85</b>

April 01, 2022

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	201.34	65.63	54.28	15.86	-	337.11
(ii) Undisputed Trade Receivables which are having significant credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	0.01	0.04	1.33	12.81	14.19
(iv) Disputed Trade Receivables considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables which are having significant credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-
<b>TOTAL TRADE RECEIVABLES</b>	<b>201.34</b>	<b>65.64</b>	<b>54.32</b>	<b>17.19</b>	<b>12.81</b>	<b>351.30</b>

**Notes:**

1. No Trade receivable are due from directors or other officers of the Company, either severally or jointly with any other person. Further no loans are due from firms or private companies, respectively in which any director is a partner, a director or a member other than as disclosed in Note 29.

**Note 12A: Cash and Cash Equivalents**

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
<b>Cash and cash equivalents</b>			
Balances with banks			
in current accounts	2.01	0.39	1.28
in cash credit accounts	60.14	274.68	11.01
Bank deposits with original maturity of less than 3 months	330.95	-	50.00
Cash in hand	0.52	0.51	0.21
	<b>393.62</b>	<b>275.58</b>	<b>62.50</b>

**Note 12B: Other Bank balances**

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
Deposits with Banks *	610.85	84.83	109.07
Add: Interest accrued but not due on deposits with banks	19.09	2.02	15.60
Deposits with Banks carried at amortised cost	629.94	86.85	124.67
Less: Deposits with maturity more than twelve months from the Balance sheet date disclosed under non- current financial assets	(276.97)	(71.82)	(59.09)
Less: Interest accrued but not due on non- current deposits with banks	(10.39)	(1.67)	(2.00)
	<b>342.58</b>	<b>13.36</b>	<b>63.58</b>

\* includes deposits placed as margin money Rs. 276.97 mn (PY: Rs. 71.82 mn)

**Rite Water Solutions (India) Private Limited**

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**Notes to Standalone Financial Statements**

(All amounts are in Rupees millions, unless otherwise stated)

**Note 13: Equity share capital**

Particulars	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
	March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023	April 01, 2022	April 01, 2022
Authorised Equity Share Capital (Face Value of Rs 10 each)	29,00,000	29.00	29,00,000	27.00	27,00,000	27.00
Authorised Preference Share Capital (Face Value of Rs 100 each)	-	-	2,00,000	20.00	2,00,000	20.00
Authorised Preference Share Capital (Face Value of Rs 10 each)	20,00,000	20.00	-	-	-	-
	<b>49,00,000</b>	<b>49.00</b>	<b>31,00,000</b>	<b>47.00</b>	<b>29,00,000</b>	<b>47.00</b>
Issued, Subscribed and fully paid Equity share capital (face value Rs.10 each)	23,84,893	23.85	28,10,591	28.11	26,05,291	26.05
Preference shares						
Optionally Convertible Preference shares of Rs. 100 each	-	-	-	-	2,00,000	20.00
Compulsorily Convertible Preference shares of Rs. 10 each	4,60,531	4.61	-	-	-	-
	<b>28,45,424</b>	<b>28.46</b>	<b>28,10,591</b>	<b>28.11</b>	<b>28,05,291</b>	<b>46.05</b>

**(a) Movements in equity share capital**

Particulars	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
	March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023	April 01, 2022	April 01, 2022
Number of Shares at the beginning of the year	28,10,591	28.11	26,05,291	26.05	26,05,291	26.05
Add: Issued during the year	2,13,818	2.14	2,05,300	2.06	-	-
Less: Redeemed during the year	(6,39,516)	(6.40)	-	-	-	-
<b>Number of Shares at the end of the year</b>	<b>23,84,893</b>	<b>23.85</b>	<b>28,10,591</b>	<b>28.11</b>	<b>26,05,291</b>	<b>26.05</b>

**(b) Terms/ rights attached to equity shares**

The Company has one class of equity shares having a par value of Rs. 10 each per share. Each shareholder is eligible for one vote per share held. Each shareholder is entitled for dividend declared/ proposed if any, by the Board of Directors which is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**(c) Equity shares held by ultimate holding/ holding company and/ or their subsidiaries/ associates**

There are no shares held by any other holding, ultimate holding company and their subsidiaries/ associates.

**(d) Details of equity shares held by shareholders holding more than 5% of the aggregate shares in the Company**
**In Equity Share Capital**

Name of the shareholder	% holding	No. of shares	% holding	No. of shares	% holding	No. of shares
	March 31, 2024	March 31, 2024	March 31, 2023	March 31, 2023	April 01, 2022	April 01, 2022
Mr. Vinayak Shankarrao Gan	48.86%	11,65,040	41.44%	11,65,000	44.71%	11,65,000
Mr. Abhijeet Vinayak Gan	31.28%	7,46,035	26.54%	7,46,035	28.63%	7,46,035
SIDBI Trustee Company Limited	0.00%	-	22.75%	6,39,516	16.66%	4,34,216
Mr. Vishawas Pathak	10.90%	2,60,000	9.25%	2,60,000	9.97%	2,60,000

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents the legal ownership of shares.

**In Preference Share Capital**

Promoters name	March 31, 2024		March 31, 2023	
	No. of Shares	% of total shares	No. of Shares	% of total shares
Water Access Acceleration Fund SLP	4,60,531	100.00%	-	0%
<b>TOTAL</b>	<b>4,60,531</b>	<b>100.00%</b>	<b>-</b>	<b>0%</b>

**(e) Shareholding of Promoters**

Promoters name	March 31, 2024		
	No. of Shares	% of total shares	% Change during the year
Mr. Vinayak Shankarrao Gan	11,65,040	48.86%	7.42%
Mr. Abhijeet Vinayak Gan	7,46,035	31.28%	4.74%
<b>TOTAL</b>	<b>19,11,075</b>	<b>80.14%</b>	

<b>March 31, 2023</b>			
<b>Promoters name</b>	<b>No. of Shares</b>	<b>% of total shares</b>	<b>% Change during the year</b>
Mr. Vinayak Shankarrao Gan	11,65,000	41.44%	-3.27%
Mr. Abhijeet Vinayak Gan	7,46,035	26.54%	-2.09%
<b>TOTAL</b>	<b>19,11,035</b>	<b>67.98%</b>	

<b>April 01, 2022</b>			
<b>Promoters name</b>	<b>No. of Shares</b>	<b>% of total shares</b>	<b>% Change during the year</b>
Mr. Vinayak Shankarrao Gan	11,65,000	44.71%	-
Mr. Abhijeet Vinayak Gan	7,46,035	28.64%	-
<b>TOTAL</b>	<b>19,11,035</b>	<b>73.34%</b>	

(f) There are no shares allotted as fully paid-up by way of bonus shares or allotted as fully paid-up pursuant to contract without payment being received in cash during the period of five years immediately preceding the reporting date.

(g) The Board of Directors at its meeting held on March 31, 2023 approved a proposal to buy-back up to 639,516 equity shares (face value INR 10 each) of the Company held by SIDBI Venture Capital Limited – A/c Samridhi Fund, for an aggregate amount not exceeding INR 70,000,000 (Rupees Seven crores only) being 7.78% of the aggregate of the fully paid-up equity share capital and free reserves at INR 109.46 per equity share.

A Letter of offer was made to the eligible equity shareholder, i.e. SIDBI Venture Capital Limited – A/c Samridhi Fund and the said shareholder tendered its shares for buy-back. The Company bought back entire 639,516 equity shares offered and extinguished the said equity shares on April 06, 2023.

Capital redemption reserve was created to the extent of share capital extinguished (INR 6,395,160). The excess cost of buy-back of INR 63,604,840 over par value of shares and corresponding tax on buy-back of INR 2,329,600 were offset from retained earnings. Also, refer note 40.

(h) During the financial year 2022-23, in accordance with the Memorandum of Association, Articles of Association, and Shareholder's agreement dated March 14, 2014, executed among the Company and the shareholders, all CCPS shares were converted into Equity shares of INR 10 each at a ratio of 1: 1.0265. The same was approved via board resolution dated March 31, 2023.

(i) Proposed dividends on equity shares, if any, are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March. The Board of Directors have not proposed any dividend for the year ended March 31, 2024.

**Rite Water Solutions (India) Private Limited**

CIN: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

**Notes to Standalone Financial Statements**

(All amounts are in Rupees millions, unless otherwise stated)

**Note 14: Other Equity**

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
<b>Securities Premium</b>			
Balance at the beginning of the year	53.62	35.67	11.85
Less: Redemption during the year	(53.62)	-	-
Add: increase during the year	983.73	17.95	23.82
<b>Balance at the end of the year</b>	<b>983.73</b>	<b>53.62</b>	<b>35.67</b>
<b>Capital Redemption Reserve</b>			
Balance at the beginning of the year	-	-	-
Transfer from Retained Earnings	6.40	-	-
<b>Balance at the end of the year</b>	<b>6.40</b>	<b>-</b>	<b>-</b>
<b>Capital Reserve</b>			
Balance at the beginning of the year	-	-	0.69
Movement during the year	-	-	(0.69)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>General Reserve</b>			
Balance at the beginning of the year	13.15	3.15	3.15
Movement during the year	(9.99)	10.00	-
<b>Balance at the end of the year</b>	<b>3.16</b>	<b>13.15</b>	<b>3.15</b>
<b>Debenture Redemption Reserve</b>			
Balance at the beginning of the year	-	10.00	10.00
Movement during the year	-	(10.00)	-
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>10.00</b>
<b>Retained earnings</b>			
Balance at the beginning of the year	876.97	608.51	483.92
Add: Profit for the year	392.50	268.82	153.90
Less : Transfer to Capital Redemption Reserve	(6.40)	-	-
Other Comprehensive income	0.08	0.04	-
Transaction with owners	-	(0.40)	(0.40)
Ind AS Adjustments	-	-	(28.91)
<b>Balance at the end of the year</b>	<b>1,263.15</b>	<b>876.97</b>	<b>608.51</b>
<b>Total Other Equity</b>	<b>2,256.44</b>	<b>943.74</b>	<b>657.33</b>

**Nature and purpose of reserves****1. Securities Premium**

Securities premium is used to record the premium on issue of shares. This reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

**2. Capital Redemption Reserve:**

As per Companies Act, 2013, capital redemption reserve is created when company purchases its own shares out of free reserves or securities premium. A sum equal to the nominal value of the shares so purchased is transferred to capital redemption reserve. The reserve is utilised in accordance with the provisions of section 69 of the Companies Act, 2013.

**3. Capital Reserve**

Capital reserves represents capital subsidy received from District Industry Centre Nagpur during the year 2006-07

**4. General Reserve:**

General Reserve is created out of the profits earned by the Company by way of transfer from surplus in the Statement of Profit and Loss. The Company can use this reserve for payment of dividend and issue of fully paid-up bonus shares.

**5. Debenture Redemption Reserve:**

The provision of the Companies Act read with the related rules required a Company issuing debentures to create a Debenture Redemption Reserve (DRR) of 10% of the value of Debentures issued, out of the profits of the Company available for the payment of dividend. The amounts credit to DRR can be utilised by the Company only to redeem debentures. The same was utilised fully towards redemption of debentures during FY 22-23.

**6. Retained Earnings**

Retained earnings are the profits that the Company has earned till date, less transfers to General Reserve.

**Rite Water Solutions (India) Private Limited**

CIN: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

**Notes to Standalone Financial Statements**

(All amounts are in Rupees millions, unless otherwise stated)

**Note 15A: Non-current Borrowings**

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
<b>Secured</b>			
Term loan from NBFCs	8.17	10.05	0.65
Term loan from Banks	-	-	3.06
<b>Unsecured</b>			
From related party	-	-	8.10
Debentures	-	-	133.28
Less: Current maturities of secured borrowings	(1.96)	(1.81)	(1.87)
Less: Current maturities of unsecured borrowings	-	-	(141.38)
	<b>6.21</b>	<b>8.24</b>	<b>1.84</b>

**Note 15B: Current borrowings**

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
<b>Secured</b>			
Working capital loan - cash credit facility	1.36	18.21	20.22
Working capital loan- Inland letter of credit facility	162.79	9.11	15.55
Current maturities of secured borrowings	1.96	1.81	1.87
<b>Unsecured</b>			
Current maturities of unsecured borrowings	-	-	141.38
	<b>166.11</b>	<b>29.13</b>	<b>179.02</b>

**a. Nature of security and terms of repayment for secured loan availed from HDFC**

(i). Loans, including Cash Credit from HDFC is secured by way of (a) Additional charge on Land & Factory Building at Nagpur, (b) Equitable mortgage of Shops and Personal Apartments of Promoters at Nagpur and (c) Personal guarantees of Directors namely Mr. Vinayak Gan and Mr. Abhijeet Vinayak Gan.

Further, the bank has agreed to extend following credit facilities to the company as per letter dated November 13, 2023

Facility	Facility Limit (₹ in million)	Tenor	Interest Rate	Margin
Cash Credit (FD-OD)	54.00	12 months	9.1% (3 months T-Bill +2.18%) plus interest tax	Inventory - 25% Book Debts (Upto 150 days) - 25%
Overdraft Against FD	85.50	12 months	FD Rate + 0.4%	Lien on FD of ₹ 90 mn
Bank Guarantee	450.00	NA	0.75% + taxes Min commission of ₹ 1000 per BG	10% for tenor 60 months and 15% for tenor above 60 months (including claim period)

**c. Terms of the unsecured loans from the related parties are as follows**

Interest to be mutually agreed between the company and lenders. Current year charge 12% computed annually (for the year ended March 31, 2022: 12%). Loans from directors are repayable on or before 12 months from the date of availing the loan facility have been repaid during the year.

**d. Terms of the term loan form Kotak Mahindra Prime Limited / HDFC Bank Limited**

- (i). Secured by equitable mortgage of vehicles for which loan was availed  
 (ii). Each Loan is repayable in 60 equitable monthly instalments from the date of availing the loan facility  
 (iii). Interest rate is 7.1% flat - 8.5% flat.

**e. Terms of the term loan form Indusind Bank**

Total Exposure 27.5 Crore bifurcation is as follow:

Cash credit: 2.5 Crore

Non Fund Credit: 25 Crore

ROI: 8.5%

Secured By: Fixed Deposit and Personal Guarantee of Both director Abhijeet Gan and Vinod Gan

**Note 16: Other financial liabilities**

Particulars	March 31, 2024		March 31, 2023		April 01, 2022	
	Current	Non-current	Current	Non-current	Current	Non-current
Dividend Payable	-	-	-	-	0.40	-
Remuneration to Director Payable	10.92	-	23.92	-	5.61	-
Employee related payables	8.88	-	4.96	-	5.08	-
Security Deposits	-	3.21	-	3.54	-	4.82
	<b>19.80</b>	<b>3.21</b>	<b>28.88</b>	<b>3.54</b>	<b>11.09</b>	<b>4.82</b>

**Note 17: Provisions**

Particulars	March 31, 2024		March 31, 2023		April 01, 2022	
	Current	Non-current	Current	Non-current	Current	Non-current
<b>Provision for employees benefit</b>						
Provision for Gratuity	0.47	2.61	0.42	2.09	0.52	1.42
<b>Other provisions</b>						
Provision for warranties	9.18	-	13.46	-	3.35	-
Labour cess payable	9.11	-	5.90	-	3.45	-
	<b>18.76</b>	<b>2.61</b>	<b>19.78</b>	<b>2.09</b>	<b>7.32</b>	<b>1.42</b>

**Rite Water Solutions (India) Private Limited**

CIN: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

**Notes to Standalone Financial Statements**

(All amounts are in Rupees millions, unless otherwise stated)

**Note 18: Trade payables**

Particulars	March 31, 2024	March 31, 2023	April 01, 2022
Total outstanding dues of micro enterprises and small enterprises	30.94	2.28	0.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	179.77	199.03	120.25
	<b>210.71</b>	<b>201.31</b>	<b>120.26</b>

**Ageing of Trade Payables:**

Particulars	March 31, 2024				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) dues of micro enterprises and small enterprises	30.94	-	-	-	30.94
(ii) dues of other than micro enterprises and small enterprises	179.00	0.77	-	-	179.77
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues of other than micro enterprises and small enterprises	-	-	-	-	-
<b>TOTAL TRADE PAYABLES</b>	<b>209.94</b>	<b>0.77</b>	<b>-</b>	<b>-</b>	<b>210.71</b>

Particulars	March 31, 2023				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) dues of micro enterprises and small enterprises	2.28	-	-	-	2.28
(ii) dues of other than micro enterprises and small enterprises	195.49	3.09	0.39	0.07	199.04
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues of other than micro enterprises and small enterprises	-	-	-	-	-
<b>TOTAL TRADE PAYABLES</b>	<b>197.77</b>	<b>3.09</b>	<b>0.39</b>	<b>0.07</b>	<b>201.32</b>

Particulars	April 01, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) dues of micro enterprises and small enterprises	0.01	-	-	-	0.01
(ii) dues of other than micro enterprises and small enterprises	104.69	15.50	0.05	0.02	120.26
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues of other than micro enterprises and small enterprises	-	-	-	-	-
<b>TOTAL TRADE PAYABLES</b>	<b>104.70</b>	<b>15.50</b>	<b>0.05</b>	<b>0.02</b>	<b>120.27</b>

**Note 19: Other liabilities**

Particulars	March 31, 2024		March 31, 2023		April 01, 2022	
	Current	Non-current	Current	Non-current	Current	Non-current
Advance from customers	1.46	-	0.10	-	0.10	-
Liability towards corporate social responsibility (refer note 26(b))	1.65	-	2.25	-	1.05	-
TDS and TCS Payable	18.63	-	16.65	-	2.73	-
PF, ESIC and PT Payable	0.47	-	0.15	-	0.15	-
Goods and Service Tax Payable	4.08	-	-	-	-	-
	<b>26.29</b>	<b>-</b>	<b>19.15</b>	<b>-</b>	<b>4.03</b>	<b>-</b>

# Rite Water Solutions (India) Private Limited

CIN: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

## Notes to Standalone Financial Statements

(All amounts are in Rupees millions, unless otherwise stated)

### Note 20: Revenue from operations

Particulars	March 31, 2024	March 31, 2023
Revenue from works contract	1,933.08	1,002.13
Revenue from services	178.28	190.72
	<b>2,111.36</b>	<b>1,192.85</b>

Note: As at the year end revenue of ₹ 55.5 mn (PY ₹ 24.83 mn) for completed projects (including operation and maintenance) is deferred due to uncertainty related to its collection from the respective customers on account of commercial disputes.

### Note 21: Other income

Particulars	March 31, 2024	March 31, 2023
Interest on-		
Fixed Deposits	23.17	6.80
Unwinding of lease deposits	0.04	0.02
Security Deposits	6.02	14.65
Fair valuation gain on investments	2.71	-
Warranty provisions no longer required written back	4.28	-
Balances written back	0.08	1.77
Infrastructure recovery cost	12.82	-
Income from mutual fund	4.71	-
Insurance Claim Received	1.84	-
Other Income	-	0.04
	<b>55.67</b>	<b>23.28</b>

### Note 22: Cost of material consumed

Particulars	March 31, 2024	March 31, 2023
Raw materials at the beginning	58.26	30.93
Add: Purchases during the year	1,031.45	375.99
Less: Raw materials at the end	(133.88)	(58.26)
	<b>955.83</b>	<b>348.66</b>

### Note 23: Changes in inventories of finished goods

Particulars	March 31, 2024	March 31, 2023
Inventory of finished goods at the beginning of the year	7.70	-
	7.70	-
Inventory of finished goods at the end of the year	-	7.70
	-	7.70
	<b>7.70</b>	<b>(7.70)</b>

### Note 24: Employee benefit expense

# Rite Water Solutions (India) Private Limited

CIN: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

## Notes to Standalone Financial Statements

(All amounts are in Rupees millions, unless otherwise stated)

Particulars	March 31, 2024	March 31, 2023
Salaries, wages and bonus	55.90	38.56
Contribution to provident and other funds	2.36	2.35
Gratuity expenses (refer note 28)	0.70	0.62
Staff Welfare Expenses	7.21	5.84
Remuneration to Directors (refer note 29)	44.80	44.80
	<b>110.97</b>	<b>92.17</b>

### Note 25: Finance Cost

Particulars	March 31, 2024	March 31, 2023
Bank Charges	4.48	4.80
Interest paid to banks	7.72	3.32
Interest paid on debentures	-	20.05
Interest paid on unsecured loans	-	-
Interest on Lease liability	0.35	0.60
Bank Guarantee Charges	7.83	-
	<b>20.38</b>	<b>28.77</b>

### Note 26: Other expenses

Particulars	March 31, 2024	March 31, 2023
Site Material, Maintenance and Manufacturing Expenses	274.99	226.93
Tender Processing Charges	1.18	0.79
Electricity & Fuel Expenses	31.15	27.57
Royalty Expense	0.17	0.35
Liquidated Damages Deduction	4.98	8.11
Warranty Expenses	-	10.11
Advertisement expenses	1.54	-
Bad Debts and expected credit loss	24.69	24.45
Rent	7.93	6.45
Transport, Freight & Carting	8.09	12.39
Legal and Professional Expenses	35.64	9.08
Commission & Brokerage Expenses	16.36	14.35
Repairs and Maintenance	4.50	8.49
Insurance Expenses	2.48	1.02
Payment to auditors (refer note 26(a))	1.72	1.19
Rates and taxes	23.60	8.98
Travelling and Conveyance	23.82	15.84
Corporate Social Responsibility (CSR) Expenditure (refer note 26(b))	4.35	3.09
Miscellaneous Expenses	15.77	7.52
Amortisation of security deposit	8.85	12.98
	<b>491.81</b>	<b>399.69</b>

### Note 26(a): Details of payments to auditors

Particulars	March 31, 2024	March 31, 2023
<b>Payment to auditors towards:</b>		
Statutory Audit fees	1.50	0.67
Tax Audit Fees	0.17	0.13
Other Services	-	0.34

## Rite Water Solutions (India) Private Limited

CIN: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

### Notes to Standalone Financial Statements

(All amounts are in Rupees millions, unless otherwise stated)

Out of Pocket Expenses / Expenditure incurred	0.05	0.05
	<b>1.72</b>	<b>1.19</b>

#### Note 26(b): Details of CSR Expenditure

Particulars	March 31, 2024	March 31, 2023
a) Gross amount required to be spent by the Company during the year	4.35	3.09
b) Amount approved by the Board to be spent during the year	4.35	3.09
c) Amount spent during the year		
(i) Construction/acquisition of an asset	2.63	-
(ii) On purposes other than (i) above	0.72	1.01
d) Unspent amount during the year	1.00	2.08
e) Reason for shortfall	Pertains to ongoing projects	

Note: An amount of Rs. 1 mn pertaining to unspent CSR amount for F Y 2023-24 was transferred to special bank account as per requirement of Section 135 of Companies Act 2013 within the prescribed time limit.

#### Note 27: Earnings per share

Particulars	March 31, 2024	March 31, 2023
<b>Basic EPS</b>		
Profit attributable to the equity holders of the company used in calculating Basic EPS:	392.50	268.82
Weighted average number of equity shares used as the denominator in calculating Basic EPS	22,10,774	28,10,591
<b>Basic EPS attributable to the equity holders of the company (Rs.)</b>	<b>177.54</b>	<b>95.65</b>
Nominal value of shares (Rs. 10)		

Particulars	March 31, 2024	March 31, 2023
<b>Diluted EPS</b>		
Profit attributable to the equity holders of the company used in calculating Diluted EPS:	392.50	268.82
Weighted average number of equity shares used as the denominator in calculating Diluted EPS	23,93,225	28,10,591
<b>Diluted EPS attributable to the equity holders of the company (Rs.)</b>	<b>164.00</b>	<b>95.65</b>
Nominal value of shares (Rs. 10)		

## Rite Water Solutions (India) Private Limited

CIN: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

### Notes to Standalone Financial Statements

(All amounts are in Rupees millions, unless otherwise stated)

#### Note 28: Employee Benefit Obligations

##### Post-employment obligations

##### Gratuity

The Company operates a defined benefit plan viz. namely gratuity for its employees. Under the gratuity plan, every employee who has completed at least 5 years of service gets a gratuity on departure @ 15 days (minimum) of the last drawn salary for each year of service.

The following tables summarized the components of net benefit expense recognized in the statement of profit and loss, other comprehensive income, and the amount recognized in the balance sheet.

The amounts recognized in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

##### Expense Recognized in Statement of Profit and Loss

	March 31, 2024	March 31, 2023
Service cost	0.51	0.48
Net Interest Cost	0.18	0.14
<b>Expenses Recognized in the statement of Profit &amp; Loss</b>	<b>0.69</b>	<b>0.62</b>

##### Other Comprehensive Income

	March 31, 2024	March 31, 2023
Actuarial gain / (loss) on liabilities	-	-
Actuarial gain / (loss) on assets	(0.12)	(0.06)
<b>Closing of amount recognized in OCI outside profit and loss account</b>	<b>(0.12)</b>	<b>(0.06)</b>

##### The amount to be recognized in Balance Sheet Statement

	March 31, 2024	March 31, 2023
Present value of funded obligations	3.06	2.50
Fair value of plan assets	-	-
<b>Net defined benefit liability / (assets) recognized in balance sheet</b>	<b>3.06</b>	<b>2.50</b>

##### Change in Present Value of Obligations

	March 31, 2024	March 31, 2023
Opening of defined benefit obligations	2.50	1.94
Service cost	0.51	0.48
Interest Cost	0.18	0.14
Benefit Paid	-	-
Actuarial (Gain)/Loss due to change in financial assumption	0.09	(0.03)
Actuarial (Gain)/Loss from experience variance	(0.22)	(0.03)
<b>Closing of defined benefit obligation</b>	<b>3.06</b>	<b>2.50</b>

##### The significant actuarial assumptions were as follows :

	March 31, 2024	March 31, 2023
Discount Rate	7.00% per annum	7.30% per annum
Rate of increase in Compensation levels	7.00% per annum	7.00% per annum

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in employment market.

##### Sensitivity Analysis

Following table shows the sensitivity results on liability due to change in the assumptions:

	March 31, 2024	Impact (Absolute)	Impact (%)
Base Liability	3.06		
Increase Discount Rate by 1.00%	2.78	(0.28)	-9.15%
Decrease Discount Rate by 1.00%	3.42	0.36	11.76%
Increase Salary Inflation by 1.00%	3.33	0.27	8.82%
Decrease Salary Inflation by 1.00%	2.85	(0.21)	-6.86%
Increase in Withdrawal Assumption by 1.00%	3.09	0.03	0.98%
Decrease in Withdrawal Assumption by 1.00%	3.06	-	0.00%

	March 31, 2023	Impact (Absolute)	Impact (%)
Base Liability	2.50		
Increase Discount Rate by 1.00%	2.26	(0.24)	-9.60%
Decrease Discount Rate by 1.00%	2.80	0.30	12.00%
Increase Salary Inflation by 1.00%	2.77	0.27	10.80%
Decrease Salary Inflation by 1.00%	2.27	(0.23)	-9.20%
Increase in Withdrawal Assumption by 1.00%	2.50	-	0.00%
Decrease in Withdrawal Assumption by 1.00%	2.50	-	0.00%

##### Notes :

- Liabilities are very sensitive to discount rate, salary inflation and withdrawal rate.
- Liabilities are very less sensitive due to change in mortality assumptions. Hence, sensitivities due to change in mortality are ignored.

**Rite Water Solutions (India) Private Limited**

CIN: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

**Notes to Standalone Financial Statements**

(All amounts are in Rupees millions, unless otherwise stated)

**Note 29: Related Party Disclosures****Names of related parties and their relationships**

Vinayak Gan	Director and Shareholder with significant influence
Abhijeet Gan	Director and Shareholder with significant influence
Rite Water India Private Limited	Subsidiary Company
Clintech Equipments and Solutions Private Limited	Subsidiary Company
Rite Water Lake City LLP	Management Control
Radhika Dorle	Relative of Director
Nagpur Chemicals	Proprietorship of Director

The following details pertain to transactions carried out with the related parties in the ordinary course of business and the balances outstanding at the year end:

Nature of Transaction	March 31, 2024	March 31, 2023
<b>a. Transactions with related parties</b>		
<b>Rite Water Lake City LLP</b>		
Expenditure paid on their behalf	0.55	0.32
Advance recovered	-	1.63
Advance Given	-	(0.82)
Sales of goods	-	0.10
<b>Rite Water (India) Private Limited</b>		
Expenditure paid on their behalf	0.02	0.03
<b>Nagpur Chemicals</b>		
Purchase of goods	23.62	22.67
<b>Vinayak Gan</b>		
Salary - expenses (including bonus)	22.40	22.40
Loan Taken	3.80	0.72
Loan Repayment	-	(0.72)
<b>Abhijeet Gan</b>		
Salary - expenses (including bonus)	22.37	22.40
<b>Radhika Dorle</b>		
Salary - expenses	1.55	1.20
<b>Clintech Equipments and Solutions Private Limited</b>		
Investment	0.10	-
Purchases	424.23	-
Sales	110.83	-
Infrastructure Recovery Cost	12.82	-

**b. Balances as at the year end**

	March 31, 2024	March 31, 2023	April 01, 2022
<b>Other financial liabilities</b>			
Directors Remuneration Payable	10.92	23.92	5.61
Radhika Dorle - Salary Payable	-	-	(0.60)
<b>Loans</b>			
Rite Water India Pvt Ltd*	0.08	0.05	0.02
<b>Other financial assets</b>			
Rite Water Lake City LLP **	28.57	27.76	26.52
<b>Advances to supplier</b>			
Nagpur Chemicals	0.18	(7.79)	-
<b>Trade Receivable</b>			
Clintech Equipments and Solutions Private Limited	4.50	-	-

\* out of above receivable amount provided for is Rs. 0.08 mn (PY: Rs. 0.05 mn) (April 01, 2022: Rs. 0.02 mn).

\*\* out of above receivable amount provided for is Rs. 28.57 mn (PY: Rs. 27.76 mn) (April 01, 2022: Rs. 11.38 mn).

Note - Reimbursement to/from the company are not included in the above

**Rite Water Solutions (India) Private Limited**

CIN: U29100MH2004PTC148812

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**Notes to Standalone Financial Statements**

(All amounts are in Rupees millions, unless otherwise stated)

**Note 30: Fair Value Measurements**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Company has established the following fair value hierarchy that categorises the values into 3 levels. The inputs to valuation techniques used to measure fair value of financial instruments are:

Level 1- This hierarchy uses quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2- The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on Company specific estimates.

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

The following methods and assumptions were used to estimate the fair values:

1. The Company has not disclosed the fair values of financial instruments such as cash and cash equivalents, other bank balances, trade receivables, other financial assets, trade payables, other financial liabilities and borrowings because their carrying amounts are a reasonable approximation of fair value. Further, for financial assets, the Company has taken into consideration the allowances for expected credit losses and adjusted the carrying values where applicable.

2. For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2024 is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
<b>Amortised cost</b>					
Investments					
Non-current	0.10	4	-	-	-
Loans					
Non-current	-	5	-	-	-
Other financial assets					
Non-current	143.04	6	-	-	-
Current	983.31	6	-	-	-
Trade Receivables	351.18	11	-	-	-
Cash & Cash equivalents	393.62	12A	-	-	-
Other Bank Balances	342.58	12B	-	-	-
<b>Fair Value through profit and loss</b>					
Investments					
Current	253.15	4	-	253.15	-
<b>Total Financial assets</b>	<b>2,466.98</b>		<b>-</b>	<b>253.15</b>	<b>-</b>
<b>Financial Liabilities</b>					
<b>Amortised cost</b>					
Borrowings					
Non-current	6.21	15A	-	-	-
Current	166.11	15B	-	-	-
Lease Liability					
Non-current	0.14				
Current	3.41				
Trade payables	210.71	18	-	-	-
Other Financial Liabilities					
Non-current	3.21	16	-	-	-
Current	19.80	16	-	-	-
<b>Total Financial liabilities</b>	<b>409.59</b>		<b>-</b>	<b>-</b>	<b>-</b>

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at March 31, 2023 is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
<b>Amortised cost</b>					
Investments	-	4	-	-	-
Non-current					
Loans	-	5	-	-	-
Non-current					
Other financial assets	136.05	6	-	-	-
Non-current	433.61	6	-	-	-
Current	211.08	11	-	-	-
Trade Receivables	275.58	12A	-	-	-
Cash & Cash equivalents	13.36	12B	-	-	-
Other Bank Balances					
<b>Fair Value through profit and loss</b>					
Investments	-	4	-	-	-
Current					
<b>Total Financial assets</b>	<b>1,069.68</b>		-	-	-
<b>Financial Liabilities</b>					
<b>Amortised cost</b>					
Borrowings					
Non-current	8.24	15A	-	-	-
Current	29.13	15B	-	-	-
Lease Liability					
Non-current	2.96				
Current	3.12				
Trade payables	201.31	18	-	-	-
Other Financial Liabilities					
Non-current	3.54	16	-	-	-
Current	28.88	16	-	-	-
<b>Total Financial liabilities</b>	<b>277.18</b>		-	-	-

The carrying value and fair value of financial instruments by categories including the quantitative disclosures of fair value measurement hierarchy as at April 1, 2022 is as follows:

Particulars	Carrying Value	Notes	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>Financial assets</b>					
<b>Amortised cost</b>					
Investments	-	4	-	-	-
Non-current					
Loans	-	5	-	-	-
Non-current					
Other financial assets	116.24	6	-	-	-
Non-current	206.25	6	-	-	-
Current	337.11	11	-	-	-
Trade Receivables	62.50	12A	-	-	-
Cash & Cash equivalents	63.58	12B	-	-	-
Other Bank Balances					
<b>Fair Value through profit and loss</b>					
Investments	-	4	-	-	-
Current					
<b>Total Financial assets</b>	<b>785.68</b>		-	-	-
<b>Financial Liabilities</b>					
<b>Amortised cost</b>					
Borrowings					
Non-current	1.84	15A	-	-	-
Current	179.02	15B	-	-	-
Lease Liability					
Non-current	3.90				
Current	2.09				
Trade payables	120.26	18	-	-	-
Other Financial Liabilities					
Non-current	4.82	16	-	-	-
Current	11.09	16	-	-	-
<b>Total Financial liabilities</b>	<b>323.02</b>		-	-	-

There have been no transfers among Level 1, Level 2 and Level 3 during the periods.

# Rite Water Solutions (India) Private Limited

CIN: U29100MH2004PTC148812

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## Notes to Standalone Financial Statements

(All amounts are in Rupees millions, unless otherwise stated)

### Note 31: Financial risk management objectives and policies

The Company's financial assets includes investments, loans given, trade receivables, cash and cash equivalents and other financial assets that comes directly from its operations and financial liabilities comprises of borrowings, trade and other payables. It has an integrated financial risk management system which proactively identifies monitors and takes precautionary and mitigation measures in respect of the various risks.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks, which evaluates and exercises independent control over the entire process of financial risks.

#### Market Risk

Market Risk is the risk that the future cash flows of a financial instrument will fluctuate due to changes in market prices. The most common types of market risks include interest rate risk, foreign currency risk. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables and loans and borrowings.

The finance department undertakes management of cash resources, hedging strategies for foreign currency exposures, borrowing mechanism and ensuring compliance with market risk limits.

#### Interest Rate Risk

Interest rate risk is the risk that the future cash flows or the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations.

The Company's investments in Bank deposits are with fixed rate of interest with fixed maturity and hence not significantly exposed to Interest rate sensitivity.

#### Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities.

#### Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Company periodically assesses financial reliability of customers and other counter parties, taking into account the financial condition, current economic trends, and analysis of historical bad debts and ageing of financial assets.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised as income in the statement of profit and loss.

**Cash and cash equivalents:** Balances with banks are subject to low credit risks due to good credit ratings assigned to the banks.

#### Trade and other receivables:

The Company measures the expected credit loss of trade receivables and loans from individual customers based on historical trend, industry practices and the business environment in which the entity operates. Loss rates are based on actual credit loss experience and past trends.

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

Period	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years
As at March 31, 2024	269.60	0.02	68.23	25.09	8.89
As at March 31, 2023	152.09	1.12	53.39	4.98	33.27
As at April 1, 2022	201.34	65.64	54.32	17.19	12.81

Trade receivables consist of number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Of the trade receivables (net) of impairment balance as at March 31, 2024 : Rs 351.17 mn (as at March 31, 2023: Rs. 211.08), below table shown customer wise breakup.

Name of Customer	As at March 31, 2024	As at March 31, 2023
Director Mission-SWSM Maharashtra EC Project	47.35	-
WSSO RO (O&M)		25.41
Ex- Engg, DW & S Division, Garhwa, Jharkhand		25.21
Others	303.83	160.46
	<b>351.18</b>	<b>211.08</b>

#### Liquidity risk

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

#### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date:

	On Demand	Less than 1 year	1 to 5 years	more than 5 years	Total
<b>March 31, 2024</b>					
Borrowings					
from Banks and NBFCs	164.15	1.96	6.21	-	<b>172.32</b>
from related party	-	-	-	-	-
Lease Liability	-	43.24	1.43	-	<b>44.67</b>
Trade payables	-	210.71	-	-	<b>210.71</b>
Other financial liabilities	-	19.80	3.21	-	<b>23.01</b>
<b>March 31, 2023</b>					
Borrowings					
from Banks and NBFCs	27.32	1.81	8.24	-	<b>37.37</b>
from related party	-	-	-	-	-
Lease Liability	-	35.13	30.72	-	<b>65.85</b>
Trade payables	-	201.31	-	-	<b>201.31</b>
Other financial liabilities	-	28.88	3.54	-	<b>32.42</b>
<b>April 01, 2022</b>					
Borrowings					
from Banks and NBFCs	35.77	1.87	1.84	-	<b>39.48</b>
from related party	-	8.10	-	-	<b>8.10</b>
Debentures	-	133.28	-	-	<b>133.28</b>
Lease Liability	-	25.20	42.00	-	<b>67.20</b>
Trade payables	-	120.26	-	-	<b>120.26</b>
Other financial liabilities	-	11.09	4.82	-	<b>15.91</b>

# Rite Water Solutions (India) Private Limited

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## Notes to Standalone Financial Statements

(All amounts are in Rupees millions, unless otherwise stated)

### Note 32: Capital Management

For the purpose of Company's capital management, capital includes issued share capital, share premium and all other equity reserves. The primary objective of capital management is to maximise shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents and bank balances.

	March 31, 2024	March 31, 2023	April 01, 2022
Net debt	(563.88)	(251.57)	54.78
Equity	2,284.90	971.85	703.38
Capital and net debt	<b>1,721.02</b>	<b>720.28</b>	<b>758.16</b>
<b>Gearing ratio</b>	<b>-32.76%</b>	<b>-34.93%</b>	<b>7.23%</b>

Calculation of Net Debt is as follows:

	March 31, 2024	March 31, 2023	April 01, 2022
Borrowings			
Non Current	6.21	8.24	1.84
Current	166.11	29.13	179.02
	<b>172.32</b>	<b>37.37</b>	<b>180.86</b>
Cash and cash equivalents and and other bank balances	736.20	288.94	126.08
	<b>736.20</b>	<b>288.94</b>	<b>126.08</b>
<b>Net Debt</b>	<b>(563.88)</b>	<b>(251.57)</b>	<b>54.78</b>

**Rite Water Solutions (India) Private Limited**

CIN: U29100MH2004PTC148812

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**Notes to Standalone Financial Statements**

(All amounts are in Rupees millions, unless otherwise stated)

**Note 33: Commitment and Contingencies (also refer note 40)**

	March 31, 2024	March 31, 2023	April 01, 2022
Aggregate value of Bank Guarantees Outstanding	267.20	154.71	164.75
GST Demands	2.09	3.53	2.93
Income Tax Demands (excluding additional interest from the date of demand)	3.08	11.30	4.46
Investment Commitments	-	0.10	-

# Rite Water Solutions (India) Private Limited

CIN: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

## Notes to Standalone Financial Statements

(All amounts are in Rupees millions, unless otherwise stated)

### Note 34: Revenue from operations

#### Disaggregated Revenue information

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown in the table below:

	March 31, 2024	March 31, 2023
India	2,111.36	1,192.85
Outside India	-	-
<b>Total</b>	<b>2,111.36</b>	<b>1,192.85</b>

#### Contract balances

The timing of revenue recognition, billings and cash collection results in trade receivables, and billings in excess of costs and estimated earnings on uncompleted contracts (contract liabilities) on the balance sheet as at March 31, 2024.

The company discloses receivables from contracts with customer separately in the balance sheet. To comply with the other disclosures requirements for contract assets and contract liabilities following information is disclosed:

Particulars	March 31, 2024	March 31, 2023
Trade Receivables	351.18	211.08
Contract assets- Unbilled revenue	641.68	344.36
Contract Liabilities	1.46	0.10

#### Reconciling the amount of revenue recognised in statement of profit and loss with the contracted price

Particulars	March 31, 2024	March 31, 2023
Revenue as per contracted price	2,111.36	1,192.85
Adjustments for:		
Rebates, Discounts	-	-
Others	-	-
<b>Revenue from contract with customers</b>	<b>2,111.36</b>	<b>1,192.85</b>

# Rite Water Solutions (India) Private Limited

CIN: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

## Notes to Standalone Financial Statements

(All amounts are in Rupees millions, unless otherwise stated)

### Note 35: Segment Information

The principal business of the Company is of implementing water plants and maintenance services and the activities incidental thereto. The Management Committee of the Company, has been identified as the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance, allocates resources based on analysis of the various performance indicators of the Company as a single unit. CODM have concluded that there is only one operating reportable segment as defined under IND AS 108 "Operating Segments", i.e. implementing water plants and maintenance services and incidental activities. The management is of the opinion that there is neither more than one reportable business segment nor more than one reportable geographical segment, therefore, segment information as per Ind AS-108 is not required to be disclosed.

### Note 36: Details of dues to micro and small enterprises as defined under The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006:

	March 31, 2024	March 31, 2023	April 01, 2022
Principal amount outstanding (whether due or not) to micro and small enterprises	30.94	2.28	0.01
Interest due thereon	-	-	-
The amount of interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of payment made to the supplier beyond the appointed day during the year	-	-	-
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 MSMED Act, 2006.	-	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act, 2006	-	-	-

Identification of amounts payable to micro, small and medium enterprises in terms of section 16 of the Micro, Small & Medium Enterprises Development Act, 2006 is based on the information available with the company.

# Rite Water Solutions (India) Private Limited

CIN: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

## Notes to Standalone Financial Statements

(All amounts are in Rupees millions, unless otherwise stated)

### Note 37: First Time Adoption of Ind AS

The Company has prepared its Ind AS compliant financial statements for year ended on March 31, 2024, the comparative period ended on March 31, 2023 and an opening Ind AS Balance Sheet as at April 1, 2022 (the date of transition), as described in the summary of significant accounting policies. This note explains the principal adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at April 1, 2022 and the financial statements as at and for the year ended March 31, 2023

#### Exemptions and exceptions 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:

#### Designation of previously recognised financial instruments

Financial assets and financial liabilities are classified at fair value through profit or loss based on facts and circumstances as at the date of transition to Ind AS i.e. April 01, 2022. Financial assets and liabilities are recognised at fair value as at the date of transition to Ind AS i.e. April 01, 2022 and not from the date of initial recognition.

#### Impairment of financial assets

Under previous GAAP, loan losses and provisions were computed on basis of Management estimations. Under Ind AS, the same is required to be computed as per the impairment principles laid out in Ind AS 109 – 'Financial Instruments' which prescribes the expected credit loss model (ECL model) for the same.

As set out in Ind AS 101, an entity shall apply the impairment requirements of Ind AS 109 retrospectively if it does not entail any undue cost or effort. The Company has assessed impairment of financial assets in conformity with Ind AS 109.

#### Estimates

An entity's estimates in accordance with Ind ASs as at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 1, 2022 are consistent with the estimates as at the same date made in conformity with previous GAAP.

#### Leases

Ind AS 116 requires an entity to assess whether a contract or arrangement contains a lease. According to Ind AS 116, this assessment should be carried out at the inception of the contract or arrangement. However the Company has used Ind AS 101 exemption and assessed all arrangements based on conditions in place as the date of transition.

#### Derecognition of financial assets and financial liabilities

As set out in Ind AS 101, the Company has applied the derecognition requirements of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS.

#### Reconciliations between previous GAAP and Ind AS

The following reconciliations provide a quantification of the effect of significant differences arising from the transition from Previous GAAP to Ind AS in accordance with Ind AS 101:

- equity as at April 1, 2022;
- equity as at March 31, 2023; and
- total comprehensive income for the year ended March 31, 2023

In the reconciliations mentioned above, certain reclassifications have been made to Previous GAAP financial information to align with the Ind AS presentation.

**Reconciliation of total equity as at March 31, 2023 and April 1, 2022**

	March 31, 2023	April 01, 2022
Total equity (shareholder's funds) as per Indian GAAP	990.72	713.47
<b>Adjustments:</b>		
Impact of Leases	0.32	0.07
Impact of impairment of financial assets	24.25	22.21
Impact of fair valuation of security deposits	2.31	3.98
Impact of financial liabilities	0.02	33.36
Deferred Taxes	(8.03)	(29.53)
<b>Total adjustments</b>	<b>18.87</b>	<b>30.09</b>
<b>Total equity as per Ind AS</b>	<b>971.85</b>	<b>683.38</b>

**Reconciliation of total comprehensive income for the year ended March 31, 2023**

	March 31, 2023
<b>Profit after tax as per Indian GAAP</b>	<b>257.73</b>
<b>Adjustments:</b>	
Impact of Leases	(0.25)
Impact of impairment of financial assets	(2.04)
Impact of fair valuation of security deposits	1.67
Impact of financial liabilities	33.25
Impact of Deferred Tax on Ind AS adjustments	(21.50)
<b>Total adjustments</b>	<b>11.13</b>
<b>Profit after tax as per Ind AS</b>	<b>268.86</b>
<b>Total comprehensive income as per Ind AS</b>	<b>268.86</b>

**Notes to first-time adoption:****Note 1: Lease Liability and right of use assets**

The Company has applied the modified retrospective approach laid down in Ind AS 116 for recognition of Right-of-use assets and Lease Liabilities as at the date of transition, whereby the Right-of-use asset would be depreciated over the lease term, the interest cost on lease liability would be unwound and charged to finance cost in the statement of profit & loss and the lease rentals actually paid would be charged against lease liability. Therefore any lease rentals charged to profit and loss in periods prior to adoption of Ind AS would be adjusted against lease liability with a consequential impact in retained earnings as a transition adjustment.

**Note 2: Impact of impairment of financial assets as per Ind AS 109**

As per Ind AS 109, the Company is required to apply expected credit loss model for recognising the allowance for doubtful loans, trade receivables and other balances. Consequently, the total equity as at March 31, 2023 and April 1, 2022 have decreased.

**Note 3: Impact of employee benefit expenses as per Ind AS 19**

Both under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to the statement of profit and 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 other equity through OCI.

**Note 4: Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement 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 which was not required under Indian GAAP.

Also, deferred tax have been recognised on the adjustments made on transition to Ind AS.

**Rite Water Solutions (India) Private Limited**

CIN: U29100MH2004PTC148812 CIN: U29100MH2004PTC148812

Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016

**Notes to Standalone Financial Statements**

(All amounts are in Rupees millions, unless otherwise stated)

**Note 38: Financial Ratios**

Ratio	Numerator	Denominator	March 31, 2024	March 31, 2023	% Variance	Reasons
1. Current Ratio	Current Asset	Current Liabilities	4.78	3.36	42.25%	Increase is due to increase in current assets which includes fixed deposits, Mutual Fund & trade receivables. Increase in available balances is on account of capital infusion during last quarter of the year.
2. Debt equity ratio	Total Debt	Shareholder's Equity	0.08	0.04	96.07%	Increase is mainly on account of additional equity issued during the year
3. Debt service coverage ratio	Earning available for Debt Service	Debt Service	2.25	5.24	-57.01%	Reduction is due to increase in working capital loans
4. Return on equity ratio	Net Profit after taxes	Average Shareholder's Equity	24%	32%	-25.56%	
5. Inventory Turnover ratio	Cost of goods sold	Average Inventory	9.64	7.04	37.00%	Increase is due to increase in cost of goods sold
6. Trade Receivable Turnover ratio	Net sales	Average Trade Receivables	7.51	4.35	72.57%	Increase is mainly due to increase in revenue but non increase of consequential receivables.
7. Trade Payable Turnover ratio	Net Purchases	Average Trade Payables	5.01	2.34	114.11%	Increase is due to increase in cost of goods sold
8. Net capital turnover ratio	Net Sales	Average Working Capital	1.66	2.09	-20.44%	
9. Net profit ratio	Net Profit after Tax	Revenue from operations	19%	22%	-17.37%	
10. Return on capital employed	Earning Before Interest and Taxes	Capital Employed	24%	43%	-43.69%	Decrease is mainly on account of additional equity issued during the year resulted in increase of base
11. Return on investment	Non operating income from investment	Average Investment	4%	7%	-43.11%	Decrease due to investment mix & investments containing higher rate of return and increase in short term investments with lower yield. Major increase in base was towards end the year, therefore income not flowing fully

## **Rite Water Solutions (India) Private Limited**

**CIN: U29100MH2004PTC148812**

**Registered office Address: K-60, MIDC Industrial Area, Hingna Road, Nagpur, Maharashtra - 440016**

### **Notes to Standalone Financial Statements**

**(All amounts are in Rupees millions, unless otherwise stated)**

#### **Note 39: Other Statutory Information**

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period

(iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(v) The Company have not advanced or given loan or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

(vii) The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

(viii) The Company has not been declared as Wilful defaulter by any Banks, Financial institution or Other lenders

(ix) The Company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with Companies (Restriction on number of Layers) Rules, 2017, and there are no companies beyond the specified layers.

(x) The Company has not paid any dividend during the year in accordance with section 123 of the Companies Act 2013

(xi) The Company is a private limited company, therefore the provisions of Section 197 of the Companies Act, 2013 are not applicable to it. Accordingly, reporting on the compliance with the provisions of Section 197 of the Act is not applicable.

(xii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

(xiii) For the year ended March 31, 2024, the company is not required to transfer any amount into the Investor Education & Protection Fund.

(xiv) The management assessed that cash and cash equivalents, trade receivables, other current assets, trade payables and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

(xv) Refer Annexure for Financials ratio

#### **(xvi) Maintenance of Books of accounts under Section 128 of the Companies Act, 2013**

The Company has maintained books of accounts in electronic mode on servers physically located in India and had a defined process of daily backup of books of accounts maintained in electronic mode on servers.

In respect of financial year commencing on 1 April 2023, the Company has used software applications for maintaining its books of account which has a feature of recording audit trail (edit log) facility effective from 14 April 2024 and the same has operated throughout the year for all relevant transactions recorded in the respective software applications. Further the Company did not come across any instance of the audit trail feature being tampered with.

- 40 - During FY23, the Company along with its promoters and one of investors has agreed to an exit proposal including
- Payment of ₹ 120 million towards redemption of outstanding Debenture, Accrued Interest and premium payable on redemption as on March 31, 2023 and dividend on preference shares for FY2021-22;
  - Payment of ₹ 70 million towards buy-back of outstanding equity shares and preference shares post-conversion into equity shares by bringing a scheme of equity-buy back within the agreed timeline.
  - Payment of 1st additional consideration of ₹ 30 million, contingent upon Company's ability to raise new funding from any other investor, anytime after 6 months from the time full exit to the Investor is completed or till 30th September 2023, whichever is later; and
  - Payment of 2nd additional consideration of ₹ 110 million, contingent upon the Company's ability to conclude successfully an Initial Public Offering (IPO) by March 31, 2028 and subject to a feasible structure which would be evaluated and approved for its legal and tax compliance by the competent authority and the same to be communicated by the Investor separately,

Pursuant to such an agreement the Company had paid ₹ 120 million as on March 31, 2023 and redeemed all debentures outstanding along with the accrued interest on that day. Total consideration includes

- ₹ 80.00 million towards principal payable on the Debenture
- ₹ 1.61 million towards accrued interest and
- ₹ 37.99 million towards premium on redemption of debenture and
- ₹ 0.40 million Dividend on preference shares for the financial year 2021-22.

As on March 31, 2023 converted 2,00,000 preference shares of ₹ 100 each into 2,05,300 equity shares of ₹ 10 each as per the original terms of conversion and credited face value of equity shares of ₹ 2.05 mn to equity share capital and balance of ₹ 17.95 mn to Securities Premium Account.

During the year [as agreed by the Investor] the Company bought-back entire equity share capital held by the investor of 6,39,516 equity shares of ₹ 10 each (including the converted 2,05,300 equity shares) and paid ₹ 70 mn out of securities premium reserve account and general reserve.

- Full exit activities of the Investor were completed on 6th April 2023

Consequently, as on March 31, 2023,

- the entire premium on redemption on preference shares of ₹ 19.51 mn has been transferred back to the securities premium account on transition date.
- the difference of financial liability (including premium on redemption of debenture) of ₹ 29.31 mn carried in the books as per the original terms and negotiated settled amount has been written back to statement of profit and loss account as an exceptional item.

Consequently, as on March 31, 2024,

- Created Capital Redemption Reserve on buy back of equity shares of Rs. 6.4 mn

Further as new investor, invested only on November 7, 2023 (i.e. after 6 months from the date of exit) the Company is not liable to pay the 1st additional consideration of ₹ 30 million. Therefore, this amount is not accrued in the Financial Statements.

Further a) on Company's making demand for refund to the Investor of its interest-free deposit consequent to the satisfactory completion of the investor's full exit from the Company (in accordance with the terms of the SHA executed between the Company, Promoters and the Investor), consequently the Investor refunding to the Company its interest free security deposit and thereby indicating its acknowledgement of complete exit from the Company and b) as there has been no communication of any legally tenable structure from the Investor to enable the receiving of the 2nd additional consideration (including the execution of required documentation) in the event where the Company would be undertaking a successful IPO, the Management is of the view that full exit is completed, and therefore no provision is required in the financial statements as at March 31, 2024.

41. Prior year figures have been reclassified / regrouped wherever necessary to conform to the current year's classification

As per our report of even date attached hereto

**For PKF Sridhar & Santhanam LLP**  
Chartered Accountants  
Firm Registration No. 003990S/S200018

For and On behalf of the Board  
**Rite Water Solutions (India) Private Limited**

**Dhiraj Kumar Birla**  
Partner  
Membership No: 131178

**Abhijeet Gan**  
Director  
DIN: 01350305

**Vinayak Gan**  
Director  
DIN: 01581401

Date: 16 September, 2024  
Place: Mumbai

Date: 16 September, 2024  
Place: Nagpur

Date: 16 September, 2024  
Place: Nagpur