



**Independent Auditor's Report
To the Members of Prayagraj Water Private Limited**

Report on the audit of the Standalone Financial Statements

Opinion

We have audited the accompanying Standalone Financial Statements of Prayagraj Water Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after 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 31st March, 2021, the 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 of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Other Information

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the company's annual report but does not include the financial statements and our auditor's report thereon.

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

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



Independent Auditor's Report To the Members of Prayagraj Water Private Limited(continue)

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the applicable Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

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



Independent Auditor's Report To the Members of Prayagraj Water Private Limited(continue)

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure A" statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;





**Independent Auditor's Report
To the Members of Prayagraj Water Private Limited(continue)**

- c) the Balance Sheet, the Statement of Profit and Loss, the Statement Cash Flows and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
- d) in our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e) on the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B';
- g) with respect to the other matters to be included in the Auditor's Report in accordance with 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:
- The Company has adequately disclose the impact of pending litigations in its Standalone Financial Statements which may impact its financial position;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
3. **With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:**

According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid /provided. Accordingly, reporting under section 197(16) of the Act is not applicable.

For, SHAH DHANDHARIA & CO LLP
Chartered Accountants
Firm Registration No. 118707W/W100724

Harshil

Harshil Shah
Partner
Membership No. 181748
UDIN :21181748AAAABD3657

Place : Ahmedabad
Date : 30th April, 2021





Annexure - A to the Independent Auditor's Report
RE: Prayagraj Water Private Limited

(Referred to in Paragraph 1 of our Report of even date)

The Annexure referred to in our Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended 31st March, 2021, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property Plant and Equipment.
- (b) The Company has a regular programme of physical verification of its property plant and equipment by which all Property plant and equipments are verified by the management in a phased periodic manner. In accordance with this programme, Property plant and equipments were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of immovable properties as disclosed in note 4 on property plant and equipment to the standalone financial statements, are held in the name of company.
- (ii) The Company does not carry any Inventory for the year ended on 31st March, 2021. Accordingly the provisions of paragraph 3 (ii) (a) & (b) of the Order are not applicable.
- (iii) According to the information and explanation given to us and the records produced to us for our verification, the company has not granted loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly the provisions of paragraph 3 (iii) (a) to (c) of the Order are not applicable.
- (iv) According to the information and explanations given to us and representations made by the Management, the Company has not done any transactions covered under section 185 and 186 in respect of loans, investments, guarantees and security. Accordingly the provisions of paragraph 3 (iv) of the Order are not applicable.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits from the public and hence 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 Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- (vi) According to the information and explanations given to us, in our opinion, the maintenance of cost records under section 148(1) of the Act as prescribed by the Central Government are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income Tax, Goods and Service Tax, Cess, Provident Fund and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance, Duty of Customs and Duty of Excise.



Annexure - A to the Independent Auditor's Report (Continue)

RE: Prayagraj Water Private Limited

(Referred to in Paragraph 1 of our Report of even date)

According to the information and explanations given to us, no undisputed amounts payable in respect of statutory dues as referred above were in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.

- (b) According to the records of the Company and representations made by the Management, there are no statutory dues as mentioned in paragraph 3(vii)(a) which have not been deposited on account of any dispute.
- (viii) Based on our audit procedures and on the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank or financial institution during the year. The company has not borrowed funds from government or from any debenture holders.
- (ix) Based upon the audit procedures performed, the company has not raised moneys by way of initial public offer or further public offer or any debt instruments. In our opinion and as per the information and explanations given by the management, the Funds raised through term loans have been applied for the purpose they were raised.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanation given to us, we have neither come across any instance of material fraud by the company or on the company by its officers or employees, noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of the records of the Company, managerial remuneration has not been paid/ provided. Accordingly the provisions of Clauses 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a nidhi Company. Accordingly the provisions of Clauses 3 (xii) of the Order are not applicable.
- (xiii) As per information and explanation given to us and on the basis of our examination of the records of the Company, all the transaction with related parties are in compliance with section 177 and 188 of Companies Act 2013 and all the details have been disclosed in Standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and on the basis of our examination of the records, the Company has not made any preferential allotment or private placement or not issued any debenture during the year under review. Accordingly the provisions of paragraph 3(xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us and on the basis of our examination of the records, Company has not entered into any non-cash transactions with any director or any person connected with him. Accordingly the provisions of Clauses 3(xv) of the Order are not applicable to the Company.



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SHAH DHANDHARIA & CO LLP

CHARTERED ACCOUNTANTS

(LLPIN – AAW-6528)



Annexure - A to the Independent Auditor's Report (Continue)

RE: Prayagraj Water Private Limited

(Referred to in Paragraph 1 of our Report of even date)

(xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3(xvi) of the Order are not applicable.

For, **SHAH DHANDHARIA & CO LLP**
Chartered Accountants
Firm Registration No. 118707W/W100724



Place : Ahmedabad
Date : 30th April, 2021

Harshil

Harshil Shah
Partner
Membership No. 181748
UDIN :21181748AAAABD3657



**Annexure – B to the Independent Auditor's Report
RE: Prayagraj Water Private Limited**

(Referred to in Paragraph 2(f) of our Report of even date)

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act 2013 (the act).

Opinion

We have audited the internal financial controls over financial reporting of the company as of 31st March, 2021 in conjunction with our audit of the Standalone Financial Statements of the company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Management's Responsibilities for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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



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SHAH DHANDHARIA & CO LLP

CHARTERED ACCOUNTANTS

(LLPIN – AAW-6528)



Annexure – B to the Independent Auditor's Report (continue)

RE: Prayagraj Water Private Limited

(Referred to in Paragraph 2(f) of our Report of even date)

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

For, SHAH DHANDHARIA & CO LLP
Chartered Accountants
Firm Registration No. 118707WW100724

Harshil

Harshil Shah
Partner
Membership No. 181748
UDIN :21181748AAAABD3657



Place : Ahmedabad
Date : 30th April, 2021

PRAYAGRAJ WATER PRIVATE LIMITED
Balance Sheet as at 31st March, 2021

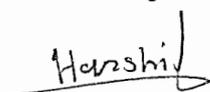
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Particulars	Notes	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
ASSETS			
Non-current Assets			
(a) Property, Plant and Equipment	4	2,436,660	2,040,397
(b) Financial Assets			
(i) Other Financial Assets	5	150,000	150,000
(c) Income Tax Assets (Net)		842,630	-
(d) Deferred Tax Assets (Net)	6	-	361,392
(e) Other Non-current Assets	7	26,966,875	29,415,000
Total Non-current Assets		30,396,165	31,966,789
Current Assets			
(a) Financial Assets			
(i) Investments	8	6,634,763	34,981,212
(ii) Trade Receivables	9	104,462,579	-
(iii) Cash and Cash Equivalents	10	642,702	31,992,873
(iv) SCA Receivables	11	722,113,804	441,120,727
(v) Loans	12	682,985	60,750
(vi) Other Financial Assets	13	390,041	188,000
(b) Other Current Assets	14	176,856,087	57,316,696
Total Current Assets		1,011,782,961	565,660,258
Total Assets		1,042,179,126	597,627,047
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	15	80,218,340	80,218,340
(b) Other Equity	16	(1,482,959)	(1,718,096)
Total Equity		78,735,381	78,500,244
LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	17	291,575,459	-
(ii) Other Financial Liabilities	18	58,767,497	14,805,430
(b) Provisions	19	2,257,416	1,078,814
(c) Other Non-current Liabilities	20	-	14,316,881
Total Non-current Liabilities		352,600,372	30,201,125
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	391,333,358	233,364,759
(ii) Trade Payables	22		
- Total outstanding dues of micro enterprises and small enterprises		288,967	21,642
- Total outstanding dues of creditors other than micro enterprises and small enterprises		3,040,921	66,166,058
(iii) Other Financial Liabilities	23	6,356,224	-
(b) Other Current Liabilities	24	209,410,266	188,987,146
(c) Provisions	25	413,637	202,129
(d) Current tax liabilities (Net)	26	-	183,944
Total Current Liabilities		610,843,373	488,925,678
Total Liabilities		963,443,745	519,126,803
Total Equity and Liabilities		1,042,179,126	597,627,047

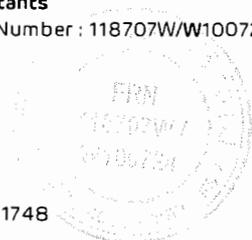
The accompanying notes are an integral part of these financial statements.
As per our attached report of even date

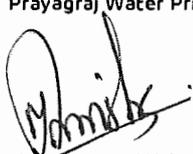
For Shah Dhandharia & Co LLP
Chartered Accountants
Firm Registration Number : 118707W/W100724

For and on behalf of the board of directors
Prayagraj Water Private Limited



Harshil Shah
Partner
Membership No.181748





Manojkumar Mishra
Director
DIN 08742526





Dilip Porwal
Director
DIN 07557989

Place : Ahmedabad
Date : 30th April, 2021

Place : Ahmedabad
Date : 30th April, 2021

PRAYAGRAJ WATER PRIVATE LIMITED

Statement of Profit and Loss for the year ended 31st March, 2021

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Particulars	Notes	For the year ended 31st March, 2021 (Amount in ₹)	For the year ended 31st March, 2020 (Amount in ₹)
Income			
Revenue from Operations	27	1,084,627,647	468,375,819
Other Income	28	269,514	1,562,088
Total Income		1,084,897,161	469,937,907
Expenses			
Services for Projects	29	972,932,771	411,595,750
Employee Benefits Expenses	30	31,797,542	21,174,053
Finance Costs	31	53,204,989	16,093,501
Depreciation and Amortisation Expenses		591,138	205,632
Other Expenses	32	25,739,816	20,115,725
Total Expenses		1,084,266,256	469,184,661
Profit before tax		630,906	753,246
Tax Expenses:			
Current Tax	33	65,140	400,186
Current Tax relating to prior year		(9,418)	-
Deferred Tax		358,324	(358,324)
Total Tax Expenses:		414,046	41,862
Profit for the year	Total A	216,860	711,384
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		21,345	(12,191)
Remeasurement of defined benefit plans			
Income Tax impact		(3,068)	3,068
Other Comprehensive (loss) / Income (After Tax)	Total B	18,277	(9,123)
Total comprehensive Income for the year	Total (A+B)	235,137	702,261
Earnings Per Equity Share (EPS)			
Basic and Diluted EPS (Face Value ₹ 10 Per Share) (₹)	37	0.03	0.49

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date

For Shah Dhandharia & Co LLP

Chartered Accountants

Firm Registration Number : 118707W/W100724

For and on behalf of the board of directors

Prayagraj Water Private Limited

Harshil Shah
Partner
Membership No.181748

Place : Ahmedabad
Date : 30th April, 2021



Manoj Kumar Mishra
Director
DIN 08742526

Place : Ahmedabad
Date : 30th April, 2021



Dilip Porwal
Director
DIN 07557989

PRAYAGRAJ WATER PRIVATE LIMITED
Statement of Cash Flow for the year ended 31st March, 2021

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Particulars	For the year ended 31st March, 2021 (Amount in ₹)	For the year ended 31st March, 2020 (Amount in ₹)
(A) Cash flow from operating activities		
Profit before tax	630,906	753,246
Adjustment for the year		
Gain/(loss) on sale of current investments (Net)	(258,820)	(1,552,619)
Net Gain on fair valuation of Investment at FVTPL	(10,694)	(9,469)
Depreciation and amortisation expenses	591,138	205,632
Finance Costs	53,204,989	16,093,501
Operating Profit before working capital changes	54,157,519	15,490,291
Changes in working capital:		
(Increase) in Other Assets	(117,293,307)	(86,598,825)
(Increase) in Trade Receivables	(104,462,579)	-
(Increase) in SCA Receivables	(280,993,078)	(441,120,727)
(Increase) in Current Loans	(622,235)	(60,750)
(Decrease) / Increase in Trade Payables	(62,857,958)	65,963,834
Increase in other Liabilities and provisions	51,479,761	219,339,295
Total Change in Working Capital	(514,749,396)	(242,477,173)
Cash (used in) operations	(460,591,877)	(226,986,882)
Less : Tax (Refund) / Paid	(1,082,149)	(225,084)
Net cash (used in) operating activities (A)	(461,674,026)	(227,211,966)
(B) Cash flow from investing activities		
Capital expenditure on Property, Plant and Equipment, including capital advances	(987,401)	(2,180,659)
Purchase / Redumption of current Investments (Net)	28,615,963	(33,419,124)
Net cash generated / (used in) investing activities (B)	27,628,562	(35,599,783)
(C) Cash flow from financing activities		
Proceeds from non-current borrowings	297,931,683	-
Finance Costs Paid	(25,664,982)	(5,766,714)
Proceeds from Current Borrowings (Net)	130,428,592	257,440,621
Proceeds from Equity share Capital issued	-	42,718,340
Net cash Generated from financing activities (C)	402,695,293	294,392,247
Net increase in cash and cash equivalents (A)+(B)+(C)	(31,350,171)	31,580,498
Cash and cash equivalents at the beginning of the year	31,992,873	412,375
Cash and cash equivalents at the end of the year	642,702	31,992,873
Notes to Cash flow Statement :		
Reconciliation of Cash and cash equivalents with the Balance Sheet:		
Cash and cash equivalents as per Balance Sheet (Refer note 10)	642,702	31,992,873
	642,702	31,992,873



Note :

i). The Cash Flow statement has been prepared under the 'Indirect Method' set out in Ind AS 7 'Cash Flow Statement'.

ii). Amendments to Ind AS 7 Statement of Cash Flows: Disclosure Initiative

The amendments require entities to provide disclosure of changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.

Changes in liabilities arising from financing activities for the year ended 31st March, 2021 and 31st March, 2020:

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	(Amount in ₹)	(Amount in ₹)
Opening Balance	233,364,759	3,006,194
Cash Flows	428,360,275	257,440,621
<u>Non Cash Changes</u>		
Conversion of Borrowings to Equity	-	37,400,000
Interest accrued (Net of TDS)	27,540,007	10,317,944
Closing Balance	689,265,041	233,364,759

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date

For Shah Dhandharia & Co LLP
Chartered Accountants
Firm Registration Number : 118707W/W100724



Harshil Shah
Partner
Membership No.181748

For and on behalf of the board of directors
Prayagraj Water Private Limited


Manoj Kumar Mishra
Director
DIN 08742526




Dilip Porwal
Director
DIN 07557989

Place : Ahmedabad
Date : 30th April, 2021



Place : Ahmedabad
Date : 30th April, 2021

A. Equity Share Capital

Particulars	No. of Shares	(Amount in ₹)
Balance as at 31st March, 2019	10,000	100,000
Changes in equity share capital during the year :	8,011,834	80,118,340
Balance as at 31st March, 2020	8,021,834	80,218,340
Changes in equity share capital during the year :	-	-
Balance as at 31st March, 2021	8,021,834	80,218,340

B. Other Equity

(Amount in ₹)

Particulars	Reserves and Surplus	Total
	Retained Earnings	
Balance as at 31st March, 2019	(2,420,357)	(2,420,357)
Profit for the year	711,384	711,384
Other comprehensive income	(9,123)	(9,123)
Total Comprehensive Income for the year	702,261	702,261
Balance as at 31st March, 2020	(1,718,096)	(1,718,096)
Balance as at 1st April, 2020	(1,718,096)	(1,718,096)
Profit for the year	216,860	216,860
Other comprehensive income	18,277	18,277
Total Comprehensive Income for the year	235,137	235,137
Balance as at 31st March, 2021	(1,482,959)	(1,482,959)

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date

For Shah Dhandharia & Co LLP

Chartered Accountants

Firm Registration Number : 118707W/W100724

For and on behalf of the board of directors

Prayagraj Water Private Limited

Harshil

Harshil Shah

Partner

Membership No.181748

Manojkumar Mishra

Director

DIN 08742526



Dilip Porwal

Director

DIN 07557989

Place : Ahmedabad

Date : 30th April, 2021



Place : Ahmedabad

Date : 30th April, 2021

1 Corporate Information

Prayagraj Water Private Limited ("the Company") is a public company domiciled in India and was incorporated on 26th December 2018 under the provisions of Companies Act, 2013 with a CIN No. U41000GJ2018PTC105778. The main object of the company is to design, build, rehabilitate, finance, operate and transfer Sewage Treatment Plants and also to operate & maintain facilities and the associated infrastructure for the period of 15 years.

The registered office is located at "Adani Corporate House, Shantigram, Near Vaishno Devi Circle, S. G. Highway, Khodiyar, Ahmedabad, Gujarat 382421.

The Company is a subsidiary of Adani Enterprises Limited.

2.1 Statement of Compliance

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

Basis of Preparation

These financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between the market participants at the measurement date.

The financial statements are presented in INR.

Current & Non-Current Classification

Any asset or liability is classified as current if it satisfies any of the following conditions:

- i. The asset/liability is expected to be realised / settled in the Company's normal operating cycle;
- ii. The asset is intended for sale or consumption;
- iii. The asset/liability is held primarily for the purpose of trading;
- iv. The asset/liability is expected to be realised/settled within twelve months after the reporting period;
- v. The asset is Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period;
- vi. In case of liability, the Company does not have unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other assets and liabilities are classified as non-current.

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

For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and time between acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.

2.2 Summary of Significant Accounting Policies**a Inventories**

Inventories comprises of Consumables, Stores and Spares are valued at lower of Cost or Net Realisable Value (NRV).

Cost is determined on Weighted Average basis and comprises of costs of purchases, cost of conversion, all non-refundable duties & taxes and other costs incurred in bringing the inventories to their present location and condition.

Net Realisable Value is the estimated selling price in the ordinary course of business, less estimated cost of completion and estimated cost necessary to make the sale. Necessary adjustment for shortage / excess stock is given based on the available evidence and past experience of the Company.

b Cash & Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash equivalents includes short-term deposits with an original maturity of three months or less from the date of acquisition, highly liquid investments that are readily convertible into known amounts of cash.

c Revenue Recognition**Revenue from Operations**

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

The accounting policies for the specific revenue streams of the Company as summarized below:

- i) Revenue from services is recognised in terms of the agreement entered with Customer and is measured at the value of the consideration received or receivable, net of discounts if any.

Other Incomes

Interest income is recognised on effective interest rate taking into account the amount outstanding and the rate applicable.

Contract Balances**Contract Assets**

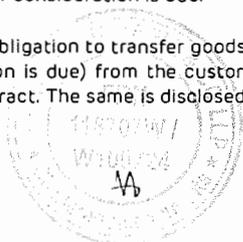
A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional and is disclosed as "Unbilled Revenue" under Other Current Financial Assets.

Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional i.e. only the passage of time is required before payment of consideration is due.

Contract Liability

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. Contract liabilities are recognised as revenue when the Company performs obligations under the contract. The same is disclosed as "Advance from Customers" under Other Current Liabilities.



d Property, Plant & Equipments**Recognition and measurement**

Property, Plant and Equipments are stated at cost of acquisition or construction less accumulated depreciation and impairment losses and net of taxes (Cenvat and VAT credit wherever applicable). All direct cost attributable to respective assets are capitalized to the assets. Other indirect expenses are capitalized to assets in proportion of the value of the assets. Borrowing cost relating to acquisition / construction of Property, Plant and Equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Spare parts or stores meeting the definition of Property, Plant and Equipment, either procured along with equipment or subsequently, are capitalized in the asset's carrying amount or recognized as separate asset, if appropriate.

Subsequent measurement

Subsequent expenditure related to an item of Property, Plant and Equipment is added to its book value only if it increases the future economic benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing Property, Plant and Equipments, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the profit and loss for the period during which such expenses are incurred.

Expenditure incurred during the period of construction including, all direct and indirect overheads, incidental and related to construction is carried forward and on completion, the costs are allocated to the respective assets.

Depreciation

Depreciation is recognised based on the cost of assets less their residual values over their useful lives, using the straight-line method. The useful life of property, plant and equipment is considered based on life prescribed in schedule II to the Companies Act, 2013. Depreciation on assets acquired/ disposed off during the year is provided on pro rata considering the date of addition / date of disposal.

Derecognition

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of Property, Plant and Equipment is determined as the difference between the sales proceeds and the carrying amount of the assets and is recognised in profit or loss.

f Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Initial recognition and measurement

All financial assets are recognised initially at fair value.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified:

i) At Amortised cost

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not classified as financial assets at fair value through profit or loss or financial assets available-for-sale. Subsequently, these are measured at Amortised cost using the effective interest method less any impairment losses. These include trade receivables, finance receivables, balances with banks, and short-term deposits with banks, other financial assets and investments with fixed or determinable payments.

ii) At fair value through profit or loss (FVTPL)

Financial assets which are not measured at Amortised cost are measured at FVTPL.

Fair value changes related to such financial assets are recognised in the statement of profit and loss.

iii) At fair value through other Comprehensive Income (FVOCI)

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At present, the Company does not have any assets that are classified as Fair value through other comprehensive income (FVOCI).

Derecognition

A financial asset is primarily derecognised when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Classification as debt or equity

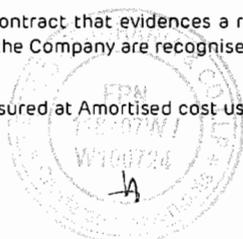
Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured at Amortised cost using the effective interest method or at FVTPL.



Financial liabilities at Amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at Amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at Amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the Amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at Amortised cost.

Financial liabilities at FVTPL

A financial liability may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management;

Fair value changes related to such financial liabilities including derivative contracts like forward currency contracts, cross currency swaps, options, interest rate futures and interest rate swaps to hedge its foreign currency risks and interest rate risks, are recognised in the statement of profit and loss.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at Amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the Amortised cost of the instruments and are recognised in Profit and Loss account.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

g Fair value measurement

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

- In the principal market, or
- In the absence of a principal market, in the most advantageous market

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

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.

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

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

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

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 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.

h Foreign Currency Transactions**Functional and Presentation currency**

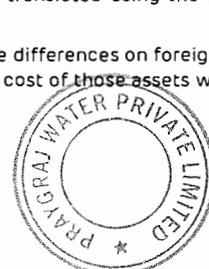
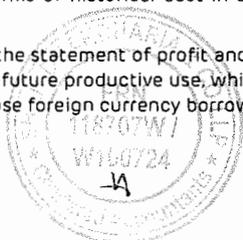
The financial statements are presented in Indian Rupee (INR), which is entity's functional and presentation currency.

Transactions and Balances

Foreign currency transactions are translated into the functional currency, for initial recognition, using the exchange rates at the dates of the transactions.

All foreign currency denominated monetary assets and liabilities are translated at the exchange rates on the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised in Statement of Profit and Loss with the exception of those related to acquisition of a PPE which are capitalised and depreciated over the remaining useful life of the related asset. 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.

Exchange differences are recognized in the statement of profit and loss except exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.



i Employee Benefits

Employee benefits include gratuity, compensated absences, contribution to provident fund, employees' state insurance and superannuation fund.

a) Short Term Employee Benefits

A liability is recognised for benefits accruing to employees in respect of salaries and wages at the undiscounted amount of the benefits expected to be paid wholly within twelve months of rendering the service.

b) Post Employment Benefits**Defined Benefit Plans**

The Company operates a defined benefit gratuity plan in India, which requires contributions to be made to a separately administered fund. The cost of providing benefits under the defined benefit plan is determined based on actuarial valuation, carried out by an independent actuary, using the projected unit credit method. The liability for gratuity is funded annually to a gratuity fund maintained with the Life Insurance Corporation of India.

Re-measurements, comprising of actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets (excluding net interest), 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. Re-measurements are not reclassified to profit or loss in subsequent periods. Net interest is calculated by applying the discount rate to the net balance of defined benefit liability or asset.

The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss in the line item "Employee Benefits Expense":

- > Service cost including current service cost, past service cost, gains and losses on curtailments and non-routine settlements; and
- > Net interest expense or income

For the purpose of presentation of defined benefit plans, the allocation between short term and long term provisions has been made as determined by an actuary.

Defined Contribution Plans

Retirement benefits in the form of provident fund and superannuation fund are defined contribution schemes. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid.

Compensated absences

Other long term employee benefits comprise of compensated absences/leaves. The Company allocates accumulated leaves between short term and long term liability based on actuarial valuation as at the end of the period. The actuarial valuation is done as per projected unit credit method.

j Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying 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. The Company considers a period of twelve months or more as a substantial period of time.

Transaction costs in respect of Non current borrowings are amortised over the tenor of respective loans using effective interest method. All other borrowing costs are expensed in the period in which they are incurred.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

k Earning Per Share

The Company reports basic and diluted earnings per share (EPS) in accordance with the IND AS 33 - "Earning per Share" as specified in the Companies (Indian Accounting Standards) Rules, 2015. Basic Earnings per share is computed by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted Earnings per share is computed by dividing the profit attributable to equity holders of the Company (after adjusting for costs associated with dilutive potential equity shares) by the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

l Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

a) Current 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 where the Company operates and generates taxable income.

Current tax items, relating to items recognised outside the statement of profit and loss, 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. Provision for current tax is recognised based on the estimated tax liability computed after taking credit for allowances and exemption in accordance with the Income Tax Act, 1961.

Current tax assets and liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.



b) Deferred Tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

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. The carrying amount of unrecognised deferred tax assets are reviewed at each reporting date to assess their realisability and corresponding adjustment is made to carrying values of deferred tax assets in the financial statements.

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 assets and liabilities are offset where a legally enforceable right exists to offset current tax assets and liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Net outstanding balance in Deferred Tax account is recognized as deferred tax liability/asset. The deferred tax account is used solely for reversing timing difference as and when crystallized.

Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit and 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.

m Impairment**i) Non Financial Assets**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

ii) Financial Assets

A financial asset is assessed at each reporting date to determine whether there is an objective evidence which indicates that it is impaired. A financial asset is considered to be impaired if an objective evidence indicates that one or more events have a negative effect on the estimated future cash flows of that asset.

The Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure;

a) Financial assets that are debt instruments, and are measured at Amortised cost e.g. loans, debt securities, deposits, trade receivables and bank balances

b) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used.

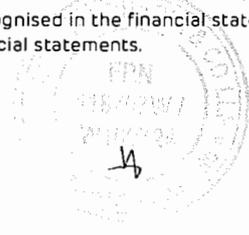
ECL is the difference between all contracted cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original EIR. ECL impairment loss allowance (or reversal) recognised during the period is recognised as expense / (income) in the statement of profit and loss.

n Provisions, Contingent Liabilities & Contingent Assets

Provisions are recognised for when the Company has at present, legal or contractual obligation as a result of past events, only if it is probable that an outflow of resources embodying economic outgo or loss will be required and if the amount involved can be measured reliably. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the 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.

Contingent liabilities may arise from litigation, taxation and other claims against the Company. Where it is management's assessment that the outcome is uncertain or cannot be reliably quantified, the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote such contingent liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position.

Contingent assets are not recognised in the financial statements. the nature of such assets and an estimate of its financial effect are disclosed in notes to the financial statements.



o Service Concession Arrangements

Service Concession Arrangements (SCA) refers to the arrangement between the grantor (a public sector entity) and the operator (a private sector entity) to provide services that give the public access to major economic and social facilities utilizing private sector funds and expertise.

With respect to the SCA, revenue and costs are allocable between those relating to the construction services and those relating to operation and maintenance services, and accounted for separately. The infrastructures used in a concession are classified as intangible asset or a financial asset, depending on the nature of the payment entitlements under the SCA. When the company has unconditional right to receive cash or another financial asset from or at the direction of the grantor, such right is recognised as a financial asset and is subsequently measured at amortised cost. When the demand risk is with the company and it has right to charge the user for use of facility, the right is recognised as an intangible asset and is subsequently measured at cost less accumulated amortization and impairment losses. The intangible asset are amortised over a period of SCA.

2.3 Recent Pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- i) Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current
- ii) Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- iii) Specified format for disclosure of shareholding of promoters.
- iv) Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- v) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- vi) Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- i) Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised. Estimates and underlying assumptions are reviewed on an ongoing basis.

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 described below. Existing circumstances and assumptions about future developments may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

i) Useful life and residual value of property, plant and equipments and intangible assets:

Determination of the estimated useful life of property, plant and equipment and intangible assets and the assessment as to which components of the cost may be capitalised. Useful life of these assets is based on the life prescribed in Schedule II to the Companies Act, 2013 or based on technical estimates, taking into account the nature of the asset, estimated usage, expected residual values and operating conditions of the asset. Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

ii) Taxes:

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. Significant management judgement is also required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies, including estimates of temporary differences reversing on account of available benefits from the Income Tax Act, 1961.

iii) Fair value measurement of financial instruments:

In estimating the fair value of financial assets and financial liabilities, the Company uses market observable data to the extent available. Where such Level 1 inputs are not available, the Company establishes appropriate valuation techniques and inputs to the model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments 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 financial instruments.

iv) Recognition and measurement of Contingent liabilities, provisions and uncertain tax positions:

There are various legal, direct and indirect tax matters and other obligations including local and state levies, availing input tax credits etc., which may impact the Company. Evaluation of uncertain liabilities and contingent liabilities arising out of above matters and recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in other provisions.

v) 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.



4 Property, Plant and Equipment :

(Amount in ₹)

Description of Assets	Tangible Assets						Total
	Land - Freehold	Office Equipments	Furniture and Fixtures	Buildings	Computer Hardware	Vehicles	
I. Gross Carrying Value							
Balance as at 1st April, 2019	-	-	-	-	-	-	-
Addition	18,750	592,582	318,732	746,254	238,823	330,888	2,246,029
Balance as at 31st March, 2020	18,750	592,582	318,732	746,254	238,823	330,888	2,246,029
Addition	-	295,000	4,869	-	418,880	268,652	987,401
Balance as at 31st March, 2021	18,750	887,582	323,601	746,254	657,703	599,540	3,233,430
II. Accumulated depreciation and Impairment							
Balance as at 1st April, 2019	-	-	-	-	-	-	-
Depreciation expense	-	61,879	4,187	92,640	21,813	25,113	205,632
Balance as at 31st March, 2020	-	61,879	4,187	92,640	21,813	25,113	205,632
Depreciation expense	-	143,188	30,713	236,413	130,155	50,669	591,138
Balance as at 31st March, 2021	-	205,067	34,900	329,053	151,968	75,782	796,770

Carrying value of Property, Plant and Equipment :

Description of Assets	Tangible Assets						Total
	Land - Freehold	Office Equipments	Furniture and Fixtures	Buildings	Computer Hardware	Vehicles	
Net Carrying Value							
As at 31st March, 2020	18,750	530,703	314,545	653,614	217,010	305,775	2,040,397
As at 31st March, 2021	18,750	682,515	288,701	417,201	505,735	523,758	2,436,660



Notes to financial statements for the year ended on 31st March, 2021

	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
5 Other Non-current Financial Assets (Unsecured, considered good)		
Security Deposit	150,000	150,000
Total	150,000	150,000
6 Deferred Tax Liabilities (Net)		
Deferred Tax Liabilities		
Timing difference between book and tax depreciation	-	12,665
Gross deferred tax liabilities	-	12,665
Deferred Tax Assets		
Provision for Employee benefits	-	374,057
Gross Deferred Tax Assets	-	374,057
Net Deferred Tax Liabilities	-	361,392
7 Other Non-current Assets (Unsecured, considered good)		
Advance to Employees	-	70,000
Prepaid Expenses	26,966,875	29,345,000
Total	26,966,875	29,415,000
8 Current Investment (At Fair value through Profit & Loss)		
Investment in Mutual Funds (Quoted)		
Birla Sun Life Mutual Funds	6,634,763	34,981,212
Total	6,634,763	34,981,212
9 Trade Receivables (Unsecured considered Good)		
Trade Receivables	104,462,579	-
Total	104,462,579	-
10 Cash and Cash equivalents		
Balances with banks In current accounts	642,702	31,992,873
Total	642,702	31,992,873
11 SCA Receivables		
Unbilled revenue from UPJN - Contract Asset	722,113,804	441,120,727
Total	722,113,804	441,120,727
12 Loans (Unsecured, considered good)		
Loans to employees	682,985	60,750
Total	682,985	60,750
13 Other Current Financial Assets (Unsecured, considered good)		
Security deposit	173,250	188,000
Other Receivables (Refer note 41)	216,791	-
Total	390,041	188,000
14 Other Current Assets (Unsecured, considered good)		
Advance for supply of goods and services	80,323,031	573,444
Balances with Government Authorities (GST and others)	95,501,830	55,239,079
Advance to Employees	70,000	120,000
Prepaid Expenses	961,226	820,307
Other Receivables	-	563,866
Total	176,856,087	57,316,696



15 Share Capital

	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
Authorised Share Capital 1,50,00,000 (Previous year 10,000) Equity shares of ₹ 10/- each	15,00,00,000	15,00,00,000
Total	15,00,00,000	15,00,00,000
Issued, Subscribed and fully paid-up equity shares 80,21,834 (Previous year 10,000) Equity shares of ₹ 10/- each fully paid	80,218,340	80,218,340
Total	80,218,340	80,218,340

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity Shares

	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
At the beginning of the period	8,021,834	80,218,340	10,000	100,000
Issued during the period	-	-	8,011,834	80,118,340
Outstanding at the end of the period	8,021,834	80,218,340	8,021,834	80,218,340

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the share holders.

c. Shares held by Parent Company

Out of equity shares issued by the Company, shares held by its parent company together with its nominees are as under:

	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	(Amount in ₹)	No. of Shares	(Amount in ₹)
Adani Enterprise Limited, Parent Company (Along with its nominees)	5,936,157	59,361,570	5,936,157	59,361,570
	5,936,157	59,361,570	5,936,157	59,361,570

d. Details of shareholders holding more than 5% shares in the Company

	As at 31st March, 2021		As at 31st March, 2020	
	No. of Shares	% holding in the class	No. of Shares	% holding in the class
Adani Enterprises Limited (Including shares of held by nominees)	5,936,157	74%	5,936,157	74%
ORGANICA Technologies Private Company Limited	2,085,677	26%	2,085,677	26%
	8,021,834	100%	8,021,834	100%

16 Other Equity

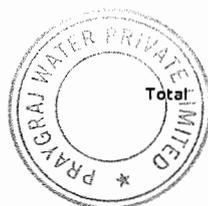
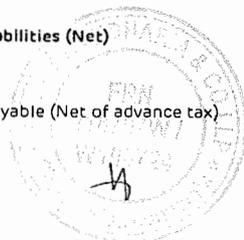
	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
Retained earnings		
Opening Balance	(1,718,096)	(2,420,357.00)
Add : Profit for the year	216,860	711,384
Add : Other Comprehensive Income for the year	18,277	(9,123)
Closing Balance	Total (1,482,959)	(1,718,096)

Note :

Retained earnings represents the amount that can be distributed by the Company as dividends considering the requirements of the Companies Act, 2013.



	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
17 Non Current Borrowings		
Secured Borrowing - at amortised cost		
Term Loans		
From Financial Institutions	291,575,459	-
	291,575,459	-
Notes:		
1. The security details for the borrowing balances:		
a. Borrowings from Financial Institutions ₹ 300,000,000 (Previous year Nil) are secured by first exclusive charge on tangible movable assets & intangible assets, including cash flows, receivable, movable plant & machinery, machinery spares, tools & accessories, furniture, fixtures, vehicles and all other movable assets, both present & future, save and except the project assets, first exclusive charge over all accounts including escrow account & sub accounts, pledge of 51% equity shares of the company held by promoter. It has interest rate of 10.75%.		
2. Repayment schedule for the Secured borrowing balances:		
a. Rupee Term Loans from Financial Institutions aggregating to ₹ 300,000,000 (Previous year Nil) respectively are repayable quarterly from 31st march, 2022 @ 2.175% of Total Loan disbursement.		
18 Other Financial Liabilities	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
Retention Money Payable (Refer Note 41)	58,767,497	14,805,430
Total	58,767,497	14,805,430
19 Provisions	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
Provision for Employee Benefits (Refer note 40)	2,257,416	1,078,814
Total	2,257,416	1,078,814
20 Other Non-current Liabilities	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
Mobilisation Advance from Customers - Contract Liability	-	14,316,881
Total	-	14,316,881
21 Current Borrowings	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
Secured Borrowings		
Trade Credits		
From Banks	12,258,592	-
	12,258,592	-
Unsecured Borrowing - at amortised cost		
Loan from Related Parties (Refer note 41)	379,074,766	233,364,759
	379,074,766	233,364,759
Total	391,333,358	233,364,759
Note :		
Loan from Related Parties are payable within one year from the date of agreement and carry the interest rate of 10% p.a.		
22 Trade Payables	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
Total outstanding dues of micro enterprises and small enterprises (Refer note 39)	288,967	21,642.00
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,040,921	66,166,058
Total	3,329,888	66,187,700
23 Other Current Financial Liabilities	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
Current maturities of Non Current borrowings	6,356,224	-
Total	6,356,224	-
24 Other Current Liabilities	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
Statutory Liabilities (Includes PF, TDS, GST)	1,557,054	1,068,926
Mobilisation Advance from Customers - Contract Liability	194,303,212	185,418,220
Other Advances	13,550,000	2,500,000
Total	209,410,266	188,987,146
25 Provisions	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
Provision for Employee Benefits (Refer note 40)	413,637	202,129
Total	413,637	202,129
26 Current tax liabilities (Net)	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
Income-tax payable (Net of advance tax)	-	183,944
Total	-	183,944



	For the year ended 31st March, 2021 (Amount in ₹)	For the year ended 31st March, 2020 (Amount in ₹)
27 Revenue from Operations		
Revenue from Contract with Customers		
Income from Service	1,084,627,647	468,375,819
Total	1,084,627,647	468,375,819
28 Other Income		
Gain/(loss) on sale of current investments (Net) (Including fair value gain of ₹ 10,694 (Previous year ₹ 9,469))	269,514	1,562,088
Total	269,514	1,562,088
29 Services for Projects		
Services for Projects	972,932,771	411,595,750
Total	972,932,771	411,595,750
30 Employee Benefits Expenses		
Salaries, Wages and Allowances	29,204,906	19,608,556
Contribution to Provident and Other Funds (Defined Contribution Plans)	2,027,681	1,258,513
Employee Welfare Expenses	564,955	306,984
Total	31,797,542	21,174,053
31 Finance costs		
(a) Interest Expenses on :		
Interest on Loans (Refer note 41)	38,476,063	10,803,903
Interest on Others	21,474	9,743
Total A	38,497,537	10,813,646
(b) Other borrowing costs :		
Bank Charges and other Borrowing cost	14,707,452	5,279,855
Total B	14,707,452	5,279,855
Total (A+B)	53,204,989	16,093,501
32 Other Expenses		
Stores and Spares	561,573	3,791,207
Repairs and Maintenance		
Plant and Equipment	2,316	91,569.94
Others	133,091	47,025.00
Rent	1,233,251	624,000
Rates and Taxes	-	563,839
Filling fees	-	1,753,500
Labour Cess	6,848,010	-
Legal & Professional Expenses	5,120,080	6,712,919
Payment to Auditors		
Statutory Audit Fees	20,000	15,000
Communication Expenses	331,150	289,178
Travelling & Conveyance Expenses	3,102,361	2,109,006
Insurance Expenses	4,927,061	1,701,722
Office Expenses	820,664	826,090
Security Expenses	1,260,513	988,702
Brokerage & Commission Charges	-	95,000
Miscellaneous Expenses	1,379,746	506,967
Total	25,739,816	20,115,725



33 Income Tax

The major components of income tax expense for the year ended 31st March, 2021 and 31st March, 2020 are:

	For the year ended 31st March, 2021 (Amount in ₹)	For the year ended 31st March, 2020 (Amount in ₹)
Current Tax:		
Current Income Tax Charge	65,140	400,186
Total (a)	65,140	400,186
Deferred Tax		
In respect of current period origination and reversal of temporary differences	358,324	(358,324)
Total (b)	358,324	(358,324)
Total (a+b)	423,464	41,862
	For the year ended 31st March, 2021 (Amount in ₹)	For the year ended 31st March, 2020 (Amount in ₹)
Accounting Profit before tax	630,906	753,246
Income tax using the company's domestic tax rate	158,786	189,577
Tax Rate for Corporate Entity as per Income Tax Act, 1961	25.17%	25.17%
Tax Effect of :		
Incremental depreciation allowable on assets	-	150,846
Provision Disallowed	-	207,477
Brought forward losses utilised during the year	-	(609,042)
Non-deductible expenses	(93,647)	461,327
Current period losses for which no deferred tax asset is recognised	361,392	(361,391)
Adjustments for current tax for Prior Period	(9,418)	-
Income tax recognised in profit and loss account at effective rate	417,114	38,794
Total Tax Expense for the year	417,114	38,794



34 Financial Instruments, Fair Value Measurements, Financial Risk and Capital Management

A) Financial Assets and Liabilities

The Company's principal financial assets include loans and trade receivables, investments, cash and cash equivalents and other receivables. The Company's principal financial liabilities other than derivatives comprise of borrowings, provisions, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations and projects.

B) Fair Value Hierarchy

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

Level-1 : Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

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

C) Disclosure of fair value measurement and fair value hierarchy for financial assets and liabilities

The following tables summarises carrying amounts of financial instruments by their categories and their levels in fair value hierarchy for each year end presented.

As at 31 March, 2021 :

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss (Level 1)	Amortised cost	Total
Financial Assets				
Investments	-	6,634,763	-	6,634,763
Trade Receivables	-	-	104,462,579	104,462,579
SCA Receivables	-	-	722,113,804	722,113,804
Cash and Cash Equivalents	-	-	642,702	642,702
Loans	-	-	682,985	682,985
Other Financial Assets	-	-	390,041	390,041
Total	-	6,634,763	828,292,111	834,926,874
Financial Liabilities				
Borrowings	-	-	682,908,817	682,908,817
Trade Payables	-	-	3,329,888	3,329,888
Other Financial Liabilities	-	-	65,123,721	65,123,721
Total	-	-	751,362,426	751,362,426

As at 31 March, 2020 :

Particulars	Fair Value through other Comprehensive income	Fair Value through profit or loss (Level 1)	Amortised cost	Total
Financial Assets				
Investments	-	34,981,212	-	34,981,212
SCA Receivables	-	-	441,120,727	441,120,727
Loans	-	-	60,750	60,750
Cash and Cash Equivalents	-	-	31,992,873	31,992,873
Other Financial Assets	-	-	188,000	188,000
Total	-	34,981,212	473,362,350	508,343,562
Financial Liabilities				
Borrowings	-	-	233,364,759	233,364,759
Trade Payables	-	-	66,187,700	66,187,700
Other Financial Liabilities	-	-	14,805,430	14,805,430
Total	-	-	314,357,889	314,357,889

Carrying amounts of current financial assets and liabilities as at the end of the each year presented approximate the fair value because of their short term nature. Difference between carrying amounts and fair values of other non-current financial assets and liabilities subsequently measured at amortised cost is not significant in each of the year presented.

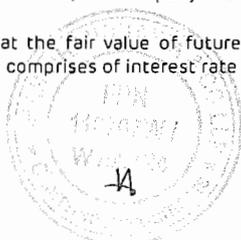
D) Financial Instruments and Financial Risk Review

The Company's risk management activities are subject to the management direction and control under the framework of Risk Management Policy as approved by the Board of Directors of the Company. The Management ensures appropriate risk governance framework for the Company through appropriate policies and procedures and that risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

In the ordinary course of business, the Company is exposed to Market risk, Interest risk, Credit risk and Liquidity risk.

Market Risk :

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of interest rate risk.



Notes to financial statements for the year ended on 31st March, 2021**Interest Risk :**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not have any interest exposure to which the risk of changes in market interest rates apply.

Credit Risk :

Credit risk refers to the risk that a counterparty or customer will default on its contractual obligations resulting in a loss to the Company. Financial instruments that are subject to credit risk principally consist of Loans, Trade and Other Receivables, Cash & Cash Equivalents, Investments and Other Financial Assets. The carrying amounts of financial assets represent the maximum credit risk exposure.

Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration of risks. Credit risk is controlled by analysing credit limits and creditworthiness of counter parties on continuous basis with appropriate approval mechanism for sanction of credit limits.

The company has adopted the policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial losses from default. Credit risk from balances with banks, financial institutions and investments is managed by the Company's treasury team in accordance with the Company's risk management policy. Cash and cash equivalents and Bank deposits are placed with banks having good reputation, good past track record and high quality credit rating.

Liquidity Risk :

The Company monitors its risk of shortage of funds using cash flow forecasting models. These models consider the maturity of its financial investments, committed funding and projected cash flows from operations. The Company's objective is to provide financial resources to meet its business objectives in a timely, cost effective and reliable manner and to manage its capital structure. A balance between continuity of funding and flexibility is maintained through continued support from parent company.

Maturity profile of financial liabilities:

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

As at 31st March, 2021	Less than 1 year	1 to 5 year	More than 5 Years	Total
Borrowings	389,433,817	104,400,000	189,075,000	682,908,817
Trade Payables	3,329,888	-	-	3,329,888
Other Financial Liabilities	6,356,224	58,767,497	-	65,123,721
As at 31st March, 2020	Less than 1 year	1 to 5 year	More than 5 Years	Total
Borrowings	233,364,759	-	-	233,364,759
Trade Payables	66,187,700	-	-	66,187,700
Other Financial Liabilities	-	14,805,430	-	14,805,430

Capital Management

The Company's objectives for managing capital is to safeguard continuity and healthy capital ratios in order to support its business and provide adequate return to shareholders through continuing growth. The Company's overall strategy remains unchanged from previous year.

The Company sets the amount of capital required on the basis of annual business and long-term operating plans which include capital and other strategic investments.

The funding requirements are met through support from parent company. The Company's policy is to use short-term and long-term borrowings to meet anticipated funding requirements. The Company monitors capital on the basis of the net debt to equity ratio.

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total Borrowing (Refer note 17 and 21)	682,908,817	233,364,759
Less: Cash and Bank Balance (Refer note 10)	642,702	31,992,873
Net Debt (A)	682,266,115	201,371,886
Total Capital (B)	78,735,381	78,500,244
Total capital and net debt C=(A+B)	761,001,497	279,872,130
Gearing Ratio (A/C)	89.65%	71.95%

- 35 The Company's activities during the year revolve around business of Sewage Treatment. Considering the nature of Company's business, as well as based on reviews by the chief operating decision maker to make decisions about resource allocation and performance measurement, there is only one primary reportable segment in accordance with the requirements of Ind AS - 108 - "Operating Segments", prescribed under Companies (Indian Accounting Standards) Rules, 2015 which is business of Sewage Treatment at this point of time and advisory in that regard. The segment reporting based on geographical risk factor which may be present in different countries is not applicable as the Company operates only on domestic market. Hence, there is no separate reportable segment as required by the Ind AS - 108 - "Operating Segments".



36 Contingent Liabilities, Assets & Commitments

	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
(i) Contingent liabilities :		
(a) PBG Given to UPJN	390,870,372	378,220,962
Total	390,870,372	378,220,962

(b) The EPC Contractor, namely, Adani Water Limited has raised various Claims on the Company, which will be taken up at a later stage, subject to the mutual understanding of the Company and its EPC Contractor.

(ii) Contingent Assets :

The Company has various claims against UPJN arising out of the Concession Agreement dated 11th January, 2019 and also due to COVID-19. At the appropriate stage, the Company will file its claims & will invoke the Dispute Resolution process of the Concession Agreement.

	As at 31st March, 2021 (Amount in ₹)	As at 31st March, 2020 (Amount in ₹)
(iii) Commitments :		
Estimated amount of contract remaining to be executed on capital account and not provided for (Net of advance)	1,666,864,289	2,719,868,554
Total	1,666,864,289	2,719,868,554

37 Pursuant to the Indian Accounting Standard 33 – Earning per Share, the disclosure is as under:

UOM	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Basic and Diluted EPS		
Profit / (Loss) attributable to equity shareholders	₹ 216,860	711,384
Weighted average number of equity shares outstanding during the year	No. 8,021,834	1,453,445
Nominal Value of equity share	₹ 10	10
Basic and Diluted EPS	₹ 0.03	0.49

38 (a) Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

Particulars	Refer Note	As at 31st March, 2021	As at 31st March, 2020
Trade Receivables	9	104,462,579	-
Contract assets	11	722,113,804	441,120,727
Contract liabilities	20,24	194,303,212	199,735,101

The Trade receivables primarily relate to the Company's right to consideration for work completed at the reporting date.

The contract assets primarily relate to the Company's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the Customer.

The contract liabilities primarily relate to the advance consideration received from the customers.

(b) Significant changes in contract assets and liabilities during the year:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Contract assets reclassified to receivables	-	-
Contract liabilities recognised as revenue during the year	199,735,101	-

(c) Reconciliation the amount of revenue recognised in the statement of profit and loss with the contracted price:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Revenue as per contracted price	1,084,627,647	468,375,819
Adjustments if any	-	-
Revenue from contract with customers	1,084,627,647	468,375,819



Notes to financial statements for the year ended on 31st March, 2021

39 Due to micro, small and medium enterprises

Under the Micro Small and Medium Enterprises Development Act, 2006, (MSMED) which came in to force from 2nd October, 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with management, outstanding dues to the Micro and Small enterprise as defined in the MSMED Act, 2006 are disclosed as below.

Particulars	As at 31st March, 2021	As at 31st March, 2020
Principal amount remaining unpaid to any supplier as at the year end.	288,967	21,642
Interest due thereon	-	-
Amount of interest paid by the company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year.	-	-
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 period) but without adding the interest specified under the MSMED.	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
Amount of further interest remaining due and payable even in succeeding years.	-	-

The Disclosure in respect of the amounts payable to Micro and Small Enterprises have been made in the financial statements based on the information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date. These facts have been relied upon by the auditors.



40 As per Ind AS - 19 "Employee Benefits", the disclosure are given below :

(a) Defined Benefit Plan

The Company operates a defined benefit plan (the Gratuity plan) covering eligible employees, which provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

Liability in respect of Gratuity is determined based on actuarial valuation done by actuary as at the balance sheet date. Each year, the management reviews the level of funding in the gratuity fund. Such review includes the asset - liability matching strategy. The management decides its contribution based on the results of this review. The management aims to keep annual contributions relatively stable at a level such that no plan deficits (based on valuation performed) will arise.

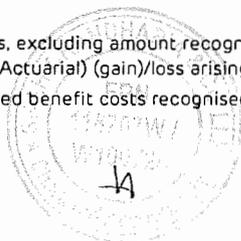
Aforesaid post-employment benefit plans typically expose the Company to actuarial risks such as: interest rate risk, Demographic Risk and Salary Escalation Risk.

Interest Rate Risk The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Demographic Risk the company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

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

Particulars	As at 31st March, 2021	As at 31st March, 2020
I. Reconciliation of Opening and Closing Balances of Defined Benefit Obligation		
Liability at the beginning of the Year	587,549	-
Current Service Cost	459,232	278,906
Past Service Cost	-	-
Interest Cost	46,819	18,652
Employee Transfer in / transfer out (net)	111,745	277,800
Benefit paid	-	-
Re-measurement (or Actuarial) (gain) / loss arising from:		
change in demographic assumptions	5,707	-
change in financial assumptions	52,496	-
experience variance (i.e. Actual experience vs assumptions)	(79,548)	12,191
Present Value of Defined Benefit Obligations at the end of the Year	1,184,000	587,549
II. Reconciliation of Opening and Closing Balances of the Fair value of Plan assets		
Fair value of Plan assets at the beginning of the Year	-	-
Investment Income	-	-
Return on plan asset excluding amount recognised in net interest expenses	-	-
Employer's Contributions	-	-
Benefit paid	-	-
Fair value of Plan assets at the end of the Year	-	-
III. Reconciliation of the Present value of defined benefit obligation and Fair value of plan assets		
Present Value of Defined Benefit Obligations at the end of the Year	1,184,000	587,549
Fair Value of Plan assets at the end of the year	-	-
Net Asset / (Liability) recognised in balance sheet as at the end of the year	1,184,000	587,549
IV. Gratuity Cost / (Gain) for the Year		
Current service cost	459,232	278,906
Interest cost	46,819	18,652
Expected return on plan assets	-	-
Actuarial (Gain) or Loss	-	-
Past service cost-vested benefit recognised during the year	-	-
Investment income	-	-
Net Gratuity Cost / (Gain) recognised in the Statement of Profit & Loss	506,051	297,558
V. Other Comprehensive Income		
Actuarial (gains) / losses	-	-
change in demographic assumptions	5,707	-
change in financial assumptions	52,496	-
experience variance (i.e. Actual experience vs assumptions)	(79,548)	12,191
others	-	-
Return on plan assets, excluding amount recognised in net interest expense	-	-
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	(21,345)	12,191
Components of defined benefit costs recognised in other comprehensive income	(21,345)	12,191



VI. Actuarial Assumptions	As at 31st March, 2021	As at 31st March, 2020
Discount Rate (per annum)	6.70%	6.70%
Expected annual Increase in Salary Cost	8.50%	8.00%
Attrition Rate	10.81%	11.00%

Mortality Rates are given under Indian Assured Lives Mortality (2012-14) Ultimate Retirement Age 58 Years.

VII. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	As at 31st March, 2021	As at 31st March, 2020
Defined Benefit Obligation (Base)	1,184,000	587,549

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Decrease	Increase	Decrease	Increase
Discount Rate (- / + 1%) (% change compared to base due to sensitivity)	1,304,908 10.2%	1,079,810 -8.8%	643,592 9.5%	539,059 -8.3%
Salary Growth Rate (- / + 1%) (% change compared to base due to sensitivity)	1,080,531 -8.7%	1,301,580 9.9%	539,185 -8.2%	642,321 9.3%
Attrition Rate (- / + 50%) (% change compared to base due to sensitivity)	1,389,083 17.3%	1,046,105 -11.6%	670,300 14.1%	530,516 -9.7%
Mortality Rate (- / + 10%) (% change compared to base due to sensitivity)	1,184,220 0.0%	1,183,781 0.0%	587,604 0.0%	587,494 0.0%

VIII. Effect of Plan on Entity's Future Cash Flows

The scheme is managed on unfunded basis.

a) Funding arrangements and Funding Policy

The scheme is managed on unfunded basis.

b) Expected Contribution during the next annual reporting period

The Company's best estimate of Contribution during the next year is NIL.

c) Maturity Profile of Defined Benefit Obligation

Weighted average duration (based on discounted cashflows) - 10 years

Expected cash flows over the next (valued on undiscounted basis):

	(Amount in ₹)
1 year	61,347
2 to 5 years	382,217
6 to 10 years	611,760
More than 10 years	1,499,070

IX. The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The expected contributions for Defined Benefit Plan for the next financial year will be in line with FY 2019-20.

The actuarial liability for compensated absences as at the year ended 31st March, 2021 is ₹ 14,87,053 (As at 31st March, 2020 is ₹ 6,93,394).

(b) Defined Contribution Plan

Contribution to Defined Contribution Plans, recognised in Statement of profit and loss and Project Development Expenditure, for the year is as under:

	For the year ended 31st March, 2021	For the year ended 31st March, 2020
	(Amount in ₹)	(Amount in ₹)
Employer's Contribution to Provident Fund	1,433,579	903,199



41 Related party transactions

a) List of related parties and relationship

Description of relationship	Name of Related Parties
Ultimate Controlling Entity	: S. B. Adani Family Trust
Parent Company	: Adani Enterprises Limited
Entity having significant influence	: ORGANICA Technologies Private Company Limited
Entities under common control (with whom transactions done)	: Adani Infra (India) Limited Adani Power Rajasthan Limited
Fellow Subsidiaries	: Adani Water Limited Adani Green Energy UP Limited Adani Green Energy (Tamilnadu) Limited
Key Managerial Personnel	: Mr. Dilip Porwal - Director Mr. Manish Jain - Director Mr. Manojkumar Mishra - Director

Terms and conditions of transactions with related parties

Outstanding balances of related parties at the year-end are unsecured and settlement occurs in cash.

Notes:

The names of the related parties and nature of the relationships where control exists are disclosed irrespective of whether or not there have been transactions between the related parties. For others, the names and the nature of relationships is disclosed only when the transactions are entered into by the Company with the related parties during the existence of the related party relationship.

b) Transaction with Related Parties :

(Amount in ₹)

Related Party Name	Nature of Transactions	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Adani Enterprises Limited	Current Borrowings Taken	145,710,007	271,774,950
	Current Borrowings Repaid	-	4,016,385
	Interest Expense on Borrowing	29,772,981	10,803,903
	Conversion of Borrowing into Equity Share Capital	-	37,400,000
	Equity Share Capital issued	-	21,887,570
Adani Water Limited	Services Received	893,191,358	395,792,180
Belvedere Golf and Country Club Private Limited	Services Received	32,170	-
Adani Power Rajasthan Limited	Other Balance Transfer to Related Party	-	195,750
	Other Balance Transfer from Related Party	-	489,616
Adani Logistics Limited	Other Balance Transfer to Related Party	-	256,250
	Other Balance Transfer from Related Party	-	98,251
Adani Infra (India) Limited	Other Balance Transfer from Related Party	-	13,516
Adani Road Transport Limited	Other Balance Transfer from Related Party	17,900	-
Suryapet Khammam Road Private Limited	Other Balance Transfer from Related Party	-	250,000
	Other Balance Transfer to Related Party	202,978	-
Adani Green Energy (Tamilnadu) Limited	Purchase of Land - Freehold	-	18,750
Adani Green Energy UP Limited	Purchase of Fixed Asset	-	456,254
	Other Balance Transfer from Related Party	216,791	-
	Other Balance Transfer to Related Party	-	90,000
S. B. Adani Family Trust (SBAFT)	Services Received	-	-



c) Balances With Related Parties :

(Amount in ₹)

Related Party Name	Nature of Transactions	As at 31st March, 2021	As at 31st March, 2020
Adani Enterprises Limited	Current Borrowings	379,074,766	233,364,759
Adani Enterprises Limited	Performance Bank Guarantee	390,870,372	378,220,962
Adani Water Limited	Trade Payables	58,767,497	77,205,430
Adani Water Limited	Advances given	80,071,492	-
Adani Road Transport Limited	Other Receivables	17,900	-
Adani Green Energy UP Limited	Trade and Other Payables	-	90,000
	Other Receivables	216,791	-
Adani Infra (India) Limited	Other Receivables	-	13,516
Adani Logistics Limited	Trade and Other Payables	-	157,999
Suryapet Khammam Road Private Limited	Other Receivables	-	250,000
Adani Power Rajasthan Limited	Other Receivables	-	313,866



42 Disclosure pursuant to Service Concession Arrangements**(i) Description and classification of the arrangements.**

The Company has entered into Concession Agreement with the Uttar Pradesh Jal Nigam (UPJN) dated 11th January, 2019 for the purpose of design, construct, complete, operate and maintain the Package-I, design, construct, rehabilitate, complete, operate and maintain the Package-II and Package-III Facilities along with associate infrastructure at Prayagraj city in the state of Uttar Pradesh. As per the Concession Agreement, UPJN grants to the company exclusive right, license and authority to construct, rehabilitate, operate and maintain the project during the construction period of two year and operation period of 15 years commencing from COD.

(ii) Significant terms of the Arrangement**(a) Bid Project cost:**

The cost of the construction and rehabilitation of the project is finalized as ₹ 399.47 Crores as at the bid date. Bid project cost is inclusive of the cost of construction, interest during construction, working capital, physical contingency and all other costs, expenses and charges for and in respect of the construction of the project.

(b) Payment of Bid project cost:

40% of the Bid project cost, adjusted for the price index multiple, shall be due and payable to the company in 8 equal milestone of Package-I, 4 equal milestone of Package-II and 2 equal milestone of Package-III during the construction period in accordance with the provisions of clause 10.3(e) of the Concession Agreement.

The remaining bid project cost, adjusted for the price index multiple, shall be due and payable in 60 quarterly instalments commencing from the day of COD of respective Packages in accordance with the provision of the clause 10.4(e) of Concession Agreement.

Interest shall be payable on the reducing balance of 60% of the relevant Completion Cost for each Facility, at the rate of the SBI MCLR plus 3% per annum. Such interest shall be due and payable quarterly along with each instalment of the relevant Capex Annuity. The Parties agree that such interest shall be calculated on the basis of the number of the days for which the relevant rate of the SBI MCLR was applicable during the period of calculation in accordance with the provision of the clause 10.4(e) of Concession Agreement.

(c) Bonus on early completion

In accordance with the provision of the clause 8.14(g) of Concession Agreement the Concession Agreement also provides for the payment of Bonus to the company in the event of Package-I Construction Completion Date and Package-II and Package-III Rehabilitation Completion Date occurs prior to the Scheduled Package-I Construction Completion Date and Package-II and Package-III Rehabilitation Completion Date.

The company shall be entitled to a bonus equal to 0.05% of the relevant Performance security for each day by which the Package-I Construction Completion Date and Package-II and Package-III Rehabilitation Completion Date precedes the Scheduled Package-I Construction Completion Date and Package-II and Package-III Rehabilitation Completion Date respectively.

(d) Operation and Maintenance Payments:

For each facility, the quarterly O&M charges after the relevant COD will be calculated on the basis of the O&M charges quoted by the company in the Financial Proposal, which amount shall be adjusted for the Price Index Multiple applicable on the Reference Index Date preceding the date of the Invoice for the O&M payment.

(e) Termination of the Concession Agreement:

Concession Agreement can be terminated on account of default of the company or UPJN in the circumstances as specified under clause 18 of the Concession Agreement.

(f) Restriction on assignment and charges:

In terms of the Concession Agreement the company shall not assign, transfer, or dispose of all or any rights and the benefits under Concession Agreement or create any encumbrances thereto except as permitted under concession agreement without prior consent of UPJN.

(g) Changes in Concession Agreement:

There have been no changes in the concession arrangement during the period.

(h) Financial Assets relating to Concession Agreement:

SCA Receivables of ₹ 72,21,13,804. (Refer note 11)

43 In the opinion of the management and to the best of their knowledge and belief, the value under the head of current and non-current assets are approximately of the value stated, if realised in ordinary course of business, except unless stated otherwise. The provision for all the known liabilities is adequate and not in excess of amount considered reasonably necessary.

44 Events occurring after the Balance sheet Date

The Company evaluates events and transactions that occur subsequent to the balance sheet date but prior to approval of the financial statements to determine the necessity for recognition and/or reporting of any of these events and transactions in the financial statements. As of 30th April, 2021, there are no subsequent events to be recognized or reported that are not already disclosed.

45 Due to outbreak of COVID 19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID 19, and believes that the impact is like to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.



46 Approval of financial statements

The financial statements were approved for issue by the board of directors on 30th April, 2021.

The accompanying notes are an integral part of these financial statements.

As per our attached report of even date

For Shah Dhandharia & Co LLP
Chartered Accountants
Firm Registration Number : 118707W/W100724



Harshil Shah
Partner
Membership No.181748

Place : Ahmedabad
Date : 30th April, 2021

For and on behalf of the board of directors
Prayagraj Water Private Limited



Manoj Kumar Mishra
Director
DIN 08742526



Dilip Porwal
Director
DIN 07557989

Place : Ahmedabad
Date : 30th April, 2021

